

KINGS OF WEALTH
VS.
AMERICAN PEOPLE

EDWARD N. OLLY



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KINGS OF WEALTH

VS.

THE AMERICAN PEOPLE

A TREATISE ON POLITICAL-ECONOMIC
CONDITIONS AS THEY EXIST IN THE
UNITED STATES TO-DAY, WITH A
REMEDY FOR IMPROVING THEM

BY

EDWARD N. OLLY

AUTHOR OF "MUTUAL OWNERSHIP VS. PRIVATE MONOPOLY,"
"LIMITATION OF WEALTH," ETC.

Dear Mr. Oly :

*"I must say I am very much
impressed with your theory."*

(Mayor) W. J. Gaynor.

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FOREWORD

I am not a Socialist. I am an individualist, who believes in the right of individuals to own a comfortable though limited private property, without encroaching upon the great democratic principle, "The greatest good for the greatest number."

I believe that everything in modern society is as it should be, except the unlimited private ownership of property, which is the root of all evil and the chief cause that forces the whole nation to labor in the wrong direction, namely, toward "the greatest good for the smallest number,"—for the kings of wealth and their heirs.

The American people are becoming restive. They obviously are weary of perennial tariff discussions, spectacular trust dissolutions, and other similar make-shifts which achieve next to nothing. They are entitled to, and are looking for, a radical economic measure, which will emancipate them from industrial tyranny. For want of something better, they are beginning to support the plausible yet somewhat vague theory of Socialism.

Although the unnatural privilege conferred upon individuals to own and derive unearned profits from

unlimited private possessions is the primary cause of all evil in modern society,—yet the remedy proposed by Socialists is also unnatural, because it presents the other extreme. The unwise rule practiced by us is: “Private property shall be **unlimited.**” The Socialistic remedy holds forth: “Private property shall be **abolished.**” Meanwhile, the safe and sound middle course is ignored: “Private property need be neither unlimited nor abolished; it **must be limited by law!**”

Socialists believe that in order to remedy the inequitable distribution of our nation's wealth it is necessary to establish a gigantic governmental monopoly, which would own, manage and distribute everything. Such extreme centralization is expected to bring the millennium. Yet, assuming that it would do so, is it not evident that many hundreds of years must pass before such a giant reform can be realized? Meantime, what are the multitudes of steadily impoverished and unemployed Americans to do? Must they continue to suffer under the dominion of the Kings of Wealth and patiently wait until the Socialistic millennium descends to the earth from the visionary Socialistic clouds? A cheerless prospect.

I believe it is our duty not to supinely wait until Socialistic evolution (more likely revolution) becomes a fact, but to enact laws which would bring **immediate** relief to wronged multitudes.

Without presenting any “looking backward” pictures of imaginary heaven on earth, I merely venture

to appeal to the sense of justice of such citizens of the United States as love fair play, and desire to impress upon them the imperative necessity of **limiting**—not abolishing—the right of individuals to accumulate private possessions, and of curbing thereby the present **unlimited** private gathering of unearned profits.

Let us not continue to remain blind to the evil that saps the life-blood of this nation. The institution of unlimited private ownership of property works great injustice to the majority of our population. This time-worn iniquity and relic of barbarism has no justification whatever; it should be endured no longer; it should be done away with, forever and ever. **It should be limited by law.**

While reasonably moderate private property has always been a blessing to mankind, in its unreasonably unlimited form it is its curse!

In order to prevent a possible misunderstanding, I wish to state here that I am far from being in favor of prohibiting combinations of private capital. In fact, I am convinced that under proper guidance great combinations are advance-guards of progress and civilization. But they are of real benefit to the "greatest number" only when they are owned by millions of shareholders (as are our mutual savings banks, building and loan associations, etc.) and **NOT BY A FEW MULTIMILLIONAIRES**, as they are owned at the present time. Then only the profits from them belong

to millions, and not to a few privileged persons "on the inside." This subject is fully discussed in Chapters IV and VII of this work.

EDWARD N. OLLY.

Hasbrouck Heights, N. J., Dec. 1, 1913.

PROPOSED LAW OF LIMITED PRIVATE OWNERSHIP

Pursuant to the Fifth Article of the Constitution, Congress should submit the following amendment for ratification by the States:

Section 1. *In order to safeguard the interests of the majority, the individual private ownership of any property situated in the United States shall be limited to a certain definite figure, the extent of which shall be prescribed by Congress.*

Section 2. *The inheritance of such property and the acquisition of it through gift by individuals shall also be limited, in like manner, to a certain definite figure.*

Section 3. *Congress shall have the power to enforce this article by appropriate legislation.*

Congress would thus be authorized to limit private possessions of individuals to any extent found reasonable and advisable. Such limit may be A QUARTER OF A MILLION OF DOLLARS as a maximum individual ownership, and A HUNDRED THOUSAND DOLLARS as a maximum for inheritance or acquisition through gift; or any other figure which Congress may agree upon.

Such legislation will leave intact society as it is constituted at present, but it will speedily remove the cancer of the social body,—the multimillionairism.

Is it not plain that, when any individual is prohibited from appropriating everything in sight, more wealth will be left to go around among the rest of the people?

Is it not evident that the enactment of such a law is not a reactionary but a progressive measure, not a revolutionary but a matter-of-fact business proposition; denying neither the right of property nor the privilege of deriving therefrom a reasonable income; recommending neither confiscation nor a general breaking-up of the so-called "capitalistic system"; accepting everything as it is in operation at the present time and taking exception solely to the unnatural and extremely harmful privilege of individuals to own and profit by unlimited private possessions, a privilege which was granted them in ignorant defiance of the plainly discernible will of the Creator, Who decreed that all things in this world should be limited to the extent of their utmost efficiency and usefulness?

Upon the enactment of this law, private possessions should be registered and their owners informed that they may not increase their wealth beyond the prescribed limit. Confiscation is neither justifiable nor necessary. As the law will prohibit inheritances by individuals in excess of the stipulated amount,—say, \$100,000,—the immense accumulations of the billionaires of the period will be, upon their demise, distributed among a great many heirs and other beneficiaries, none receiving more than a hundred thousand dollars.

In this way a widely diffused and infinitely more equitable distribution of our national wealth will become an established fact WITHIN THE LIFETIME OF A SINGLE GENERATION!

* * *

Let us vote for no CANDIDATE FOR CONGRESS unless he pledges himself to the enactment of the LAW OF LIMITED PRIVATE OWNERSHIP.

Kings of Wealth *vs.* The American People

CHAPTER I

Unlimited Private Property—A Premium on Greed

DAME FORTUNE AND A RAG-PICKER

Once upon a time a forlorn rag-picker, engaged in the pursuit of his humble occupation, grumbled aloud about his lot in life.

"I cannot understand," said he, "how those people who live in fine houses, and have all the luxuries that wealth can supply, are still anxious to have more and more riches. Such avarice is inexcusable. I certainly would be satisfied, and would never hanker for more."

The Goddess of Wealth, attracted by his sentiments, determined to make an experiment. She appeared before him in person, filled his bag with gold, and said: "Thou art now immensely wealthy. Is it enough for thee?"

The beggar looked greedily at the well-filled bag, and then at the smiling Goddess, and replied: "Noble lady, may I not have just a little more of that beautiful gold?"

"Very well," said Dame Fortune sternly, "but first try to lift thy bag, thou greedy mortal."

Reluctantly and surlily, the beggar folded the flaps of his huge bag and made the attempt to throw it over his shoulder, when, alas, the bag burst and its precious contents fell with a thud to the ground, and the bright coins, scattered in all directions, turned immediately into dust.

The poor beggar looked up in great consternation, but Dame Fortune had vanished, and he found himself alone, forsaken, and infinitely more wretched than he had ever been before in the course of his miserable existence.

MIGHT OF GREED

Greed is not a quality, but a defect in human nature, a failing which ought to be discouraged, and not otherwise.

Greed is a passion akin to gambling: the gambler can seldom stop at a certain limit; neither can a greedy man curb his greed, unless he is compelled so to do.

Greed reduces man to a rank below dumb animals; the brute knows when he has had enough; a greedy man does not.

Greed is mighty. It forces men to violate their best intentions, to forget their sincere resolutions, and to trample heartlessly upon the rights of others, during their wild chase after more wealth.

Greed, once grasping a man in its clutches, renders him more dangerous to society than a wild beast. A

beast may devour a man or two; a man possessed by greed devours indirectly, but no less surely, thousands of lives by depriving men of their means of existence, and by driving them to degradation and an early grave.

Greed has presumably an ugly aspect and is condemned by moralists and abhorred by all. Yet, strange to say, all attempts at muzzling the monster have, so far, invariably failed. The twentieth century finds it roaming at large unrespected, yet unimpeded and at its very zenith of gruesome glory and power. What else but a direct prohibitory law of limited private ownership will ever be able to subdue the monster?

It should also be borne in mind that greed is a malignant disease which may be cured, and should not be endured; still less should it be encouraged.

The people alone, in their supreme right and might, are able to loosen the grim hold of greed upon this land's resources, which surely are large enough and rich enough for all to have a fair share!

THE MODERN BANKER AND MARCUS CRASSUS

A great banker once said: "I feel certain that if I were landed on a desert island with one hundred men, each of whom had a thousand dollars, I would soon get hold of most of their money. How? Simply by trading: buy when others are anxious to sell, and

sell when others are anxious to buy. That's the way to get rich!"

One cannot help being deeply impressed by the supreme cold-bloodedness of this assertion. The banker evidently is altogether indifferent to the ethical side of the proceeding, to the lack of morality in appropriating "most of the money" of his fellow-men, who happen not to be as clever financiers as he. He also is blind to the miserable condition in which his weaker brethren must find themselves after their means of existence had been legally abstracted from them. Yet, were not such methods of "getting rich" approved by a short-sighted human (rather inhuman) law, the described spongelike transaction would have been considered both immoral and criminal.

Inspired by greed, our foremost money-makers close their eyes and turn deaf ear to the woe and misery which they undoubtedly spread broadcast all through the land. Do they really consider their fellow-men as unfeeling, as so many mechanical automatons, who are devoid of any unpleasant sensation while "most of their money," their means of existence, is taken away from them?

Such are the deplorable results of the remarkable mastery exercised by the monster greed over men who are otherwise good and well-meaning.

Greed is not a modern phenomenon; it is as ancient as mankind. Plutarch testifies that twenty centuries ago, namely in 60 B.C., a certain Marcus Crassus, who

with Pompey and Julius Cæsar formed the first Triumvirate of masters of Rome, "had a vice of avarice that cast a shadow upon his virtues." For instance, "Noticing frequent conflagrations in Rome, he made it his business to buy houses on fire, and others adjoining to them, at a very low price, by reason of fear and distress of the owners about the event. . . ." "Hence, he became master of a great part of Rome."

A complete analogy with the modern Marcus Crassus: bought when others were anxious to sell, "by reason of fear and distress," and thus appropriated the "most of the money" of his fellow-citizens. Lack of any restraint upon greed produces to-day the same results as it did twenty centuries ago.

Describing further, Plutarch says that during his political campaigns Marcus Crassus entertained the Roman populace lavishly, often at 10,000 tables, and every now and then distributed among the proletariat a supply of free bread corn sufficient to last them for three months! However, Mr. Crassus considered these seemingly benevolent expenditures as very profitable investments, for they gave him an opportunity to make by subsequent graft (of Roman variety, on a large scale) much more than he ever expended on the entertainments.

Marcus Crassus was in the habit of abstracting people's money by various methods which often reflected strongly upon his "virtues." For instance, he was known to have proscribed men for no other reason but to seize upon their fortunes.

So much for the commercial "virtues" and moral ideals of those possessed by greed, whether in olden times or at this day. Various, indeed, are the ways by which a greedy man despoils his brethren.

Should it not be the sacred duty of society to protect its weaker members against the greedy ones? Society certainly should curb the avaricious, as a father restrains those of his children who show symptoms of selfishness and greed. It is not enough to punish the transgressor. The possibility of transgressions should be prevented; greed should be checked; certain limits of restraint should be put upon it.

Unlimited ownership, as an institution, is an incentive for greed: far from restraining it, it stimulates a display of most selfish avarice. Should it be tolerated as a GREED-ENCOURAGER?

VALUED INSTITUTION OF PRIVATE PROPERTY

A child never enjoys his toy unless he knows it is his own, "to keep." This conception "to keep" is magical.

A boy without an air rifle is not a happy boy. He may obtain the privilege of playing with a rifle belonging to one of his playmates, but he will not be as contented as the happy owner of the rifle. For the owner of a thing knows that he may do with it whatever pleases him. The consciousness of the fact gives him great satisfaction. Certainly a flat dweller in a

crowded city cannot enjoy his hired "home" as heartily as does his more fortunate fellow-man who resides in his own homestead. The consciousness of ownership imparts to the latter the same feeling of contentment that is enjoyed by that boy owner of an air rifle.

Human nature is the same everywhere. The longing to own is ever-present in a human being. Childhood longs to own its toys; youth, a sweetheart; manhood, a home; and old age, its last resting place.

The institution of private property, based upon human nature as its solid foundation, is the earliest and the most invincible among the rights of individuals. Nothing is resented so much as an attack on this "vested" right, and nothing more readily brings men together than the necessity of defending this cherished right.

The right so valued, so purely human, is destined to stay with us for ages to come, unless we grow as affectionate toward our neighbors as are the members of a family (or ought to be) toward each other. The prospect of such a millennium is not very bright, as yet.

It is useless to deny the permanency of the institution of private property. Many well-meaning men have essayed to do so, and tried to prove the advisability of its entire abolishment, or at least partial substitution. But they signally failed in their attempts.

The right of property is with us to-day the same

as it was centuries ago. It is wise to accept it as a fact. But it is no less wise to closely inquire into its nature and workings, and **correct its faults** if it has any. Being human, not divine, it is liable to have some imperfections. In fact, it has a vital imperfection: **IT IS LIMITLESS!**

RIGHTS OF MEN ARE LIMITED

The rights and privileges of men are restricted by the laws governing civilized societies. A man may freely exercise his freedom of speech, for instance; but he may not use that freedom to any extent he pleases; he may not shout at the top of his voice on a public thoroughfare, nor even in his own house; in both cases he would be liable to arrest for disturbing the peace of the community. Man is enjoying freedom of conscience, of meetings, of the press; and has an indisputable right to enjoy his liberty and pursue his happiness. Yet there are restrictions on every side of him. He may not obstruct highways, nor get intoxicated in public; may not get married without a license, nor take the law into his own hands; he may not even dispose of his own life by selling himself to any one, or by self-destruction. In short, man's will has always been subordinated to that of society. Man's education as a free citizen consists in ascertaining, and retaining in memory, the **limits to his liberty**, which are imposed upon him out of consideration for the corresponding freedom and rights of his fellow-men.

The same can not be said of the right of property. Aside from a few limitations, relating to the manner of its exercise, this right of individuals is **absolutely unlimited**.

PROPERTY RIGHTS ARE UNLIMITED

To the right of property,—and to this right alone,—the principle of go-as-you-please has ever been and is to-day freely applied. If a man be sufficiently clever he may acquire and own, with the sanction of and under the protection of the law, a million of acres, or a thousand millions, or any amount of acres of American soil. If he has wealth enough he may purchase and hold millions upon millions' worth of shares in any trusts or mergers; he may acquire and hold any quantity of property and land, a State or two, or the whole United States, for that matter. No one would be able to deny his **legal** right to do so. Such an event will perhaps never take place. Yet the mere possibility of such an occurrence is startling by its enormity and absurdity. It certainly is **possible** and would be **legal** for any extra-clever trust to become by purchase the sole owner and profit-taker of all the railroads in this country, of all the shipping, mines, etc.

As far as the acquisition of property is concerned, there has never been shown the slightest consideration for the similar rights of less clever citizens, unless it were the prohibition of downright robbery or theft. Aside from that it is understood and agreed that this

really licentious right should be hampered by no restrictions, no limitations.

Does anything more glaringly unnatural exist in human society?

Pharaohs of ancient Egypt, as well as other anointed chiefs, owned all the land and other property of their "subjects" because it was understood to have been so ordained by right divine. To-day, when the right divine is set aside, the permission for anyone who is clever enough and rich enough to acquire and legally hold, as his own private property, anything and everything that may please him,—even were it a whole country,—is, to say the least, devoid of any justification and so unnatural as to approach the ridiculous.

Such a right,—or rather **special privilege**,—ceases to be human. No man, no matter how deserving and clever, can ever possibly **earn** such a fabulous reward for his cleverness; can ever have the **moral right** to unlimited possessions. Moreover, such a right is a direct defiance of nature's supreme law of limitation, and, as such, is bound to create disastrous conditions in the society of men.

"UNCLE SAM" AN UNNATURAL PARENT

A loving mother, treating her children to a home-made pie, watches carefully that no one may take more than his or her rightful share. She may sometimes show partiality by putting an extra dainty morsel upon the plate of her particular pet,—usually

the youngest or the weakest among her children. But who ever heard of a parent so heartless and cruel as to give nine-tenths of a pie to a pet or two and leave only a pittance for all the other children?

Yet such an unnatural parent is well known to us. Uncle Sam, through simplicity of mind and carelessness of thought, or, more likely, through ignorance, has actually **given away** to a few of his special favorites almost **everything worth having**. He has heartlessly left for the remaining multitudes a mere pittance to scramble for.

Instead of protecting the weak and helping the less favored, he has so framed the laws of the land that it is the strongest and the cleverest that receive "protection" to their hearts' content, while the weaker and less gifted members of his family are abandoned to shift for themselves. As a natural result, the industrial geniuses have scrupulously followed the advice of the above quoted modern banker, and have absorbed "most of the wealth" of the American people as easily as sponges absorb water!

Instead of setting a barrier to avarice, Uncle Sam has given it complete freedom, legalized it, and is awarding the richest prizes to those who are most avaricious. A truly abnormal proceeding!

When we read of some pompous king of old bestowing upon his minions royal grants to immense territories in the New World we can scarcely suppress a pitying smile: the imbecility of the transaction appears to us most ludicrous. Perhaps, at some

future time, an historian, while perusing the records of the twentieth century, may also be unable to suppress a pitying smile when he learns how the sovereign people of America had given away to a few Kings of Wealth many regal grants for countless millions of American wealth, leaving for themselves **only perpetual poverty to struggle against**. Perhaps the simplicity of the transaction will appear to him also ludicrous, or worse.

Thus the right of private property is, in its principle and foundation, natural and human; in its "limitless" application,—unnatural and harmful. In the first instance it is the source of happiness; in the second of misery. History amply testifies that the institution of **unlimited private property** had converted this world, many a time, into a huge slaughter house!

GRAB-IT-ALL MONSTROSITIES

A limitless privilege of the same nature can be found in no other sphere of organic life. Nothing like it exists among animals; not even among the wild beasts of the wilderness. Although a primitive "fist-right" of the strongest is there freely exercised, it is naturally limited to the acquisition of food and possession of dens; while similar privileges of other animals are instinctively respected. **Grab-it-all monstrosities are unknown even among the fiercest of wild animals. Nowhere on earth is it known save among men!**

Who has ever heard of a tiger claiming the entire jungle as his own private property? Or of a family of buffaloes laying claim to the exclusive ownership of the whole Mississippi Valley? Or of a greedy bear appropriating as his own absolute property all the honey to be found in the United States?

Yet there is a man, a reputedly good and Christian man, who calmly asserts that all the oil that can be found in the United States is his own personal property. There are other men and families, all enlightened human beings, who claim that most of the railroads of the land are their own exclusive property. And there are many other men and families of the same ilk. Some of them claim private ownership of all the sugar of Uncle Sam; others of all the coffee; still others claim the ownership of all the products of the tobacco industry, etc., etc.

Guided solely by instinct, the beast of the wilderness, having satisfied his thirst and hunger, respects the right to life and pursuit of happiness in his fellow beasts. Not so man. Although endowed with a much superior intellect, yet possessed by greed, he pursues the most selfish policy of amassing riches for his own personal aggrandizement, and in such pursuit he gives no thought to the rights to life, liberty and pursuit of happiness vested in his fellow-men; he ruthlessly pushes them aside from his path of conquest, appropriates "most of their money," and complacently remarks: "That is the way to get rich."

In this way, thanks to that unhallowed relic of bar-

barism, the unlimited property right, man has fallen below the level of the wild beasts of the wilderness!

PREMIUM ON GREED

Was Dame Fortune right in limiting her bounty to the ragpicker? Or would it have been better had she given him another bag of gold, and still another; nay, millions of bags, until his apparently unlimited greed would have been at last satiated? Being a fair-minded goddess, she could not have done so, because then she would have rewarded greed.

What are we, as a nation, doing in this respect? Are we protecting the weaker members of society against the encroachments of the stronger, and by so doing are we checking the depredations of the monster greed? Not at all. We are actually doing the reverse: **we are protecting the stronger against the weaker**; we are offering rich rewards for the practice of selfish aggrandizement and greed; in fact, we are giving a **PREMIUM ON GREED**.

Dame Fortune rewarded the ragpicker for his good intentions, and punished him for the display of unreasonable greed. That is as it should be. But it happened in a fable; in reality it is quite different: **the greedier the man, the more he wants and the more he is given**. If millions of bags of gold are not enough for him—if he still wants more and more—he is at liberty to appropriate anything and everything. An absurd permission, is it not?

Anyone can perceive that what Dame Fortune did was right, and what we are doing is wrong. We should let the clever man have his big bag of gold, but should say to him: "Thou canst have no more, for there are others who also are desirous and entitled to share in the national possessions." Then only the greedy one would have been compelled to curb his greed and stop "hankering for more," for the obvious reason that that "more" would not be forthcoming. Thus the premium on greed would have been abolished. Such would have been the only right way to protect the weaker members of society against their stronger and shrewder brethren.

REIGN OF MILLIONAIRISM

How far from such a desirable condition is the present state of affairs in the United States!

Of all the countries in the world, the United States are presenting at this time the most vivid picture of an up-to-date millionairism. With us this "millionairism" is truly grand. A few excessively wealthy persons own such fabulous fortunes as were never before even dreamed of. The incomes of some of them are reaching the stupendous figure of a **million dollars a week!** Such an income is **one thousand times** larger than the annual salary of the Chief Executive of the nation!

Even the fairy tales of childhood are outdone by the frenzied reign of modern American millionairism.

The wealth of an average multimillionaire equals the combined holdings of two hundred thousand of his less favored fellow Americans! Verily, truth is stranger than fiction.

Five thousand American millionaires own in aggregate more wealth than all the rest of us.

The nations of the old world have had one king each; we have five thousand of them!

Statistics show that a large portion of the United States is the private property of millionaires. The question arises: how soon will the entire United States become their private property? Their foretype, Marcus Crassus of Rome, succeeded in becoming the owner of the "most part of Rome"; why not a Rockefeller of the near future be in a position to become the owner of the whole of the United States?

Is it not remarkable that our industrial kings are still "hankering for more"? Spurred by that dread power, greed, they have entered into all kinds of combinations and conspiracies, lawful and otherwise, created the now infamous trusts and monopolies, injected oceans of water into industrial stocks, and acquired the ownership or control of everything worth mentioning. Yet still they want "more."

Meanwhile, the people, the supposed owners and real producers of the nation's wealth, are receiving as **their share** of that immense wealth a portion which is hardly sufficient to keep their body and soul together.

Such are the fruits of unlimited private ownership!

CHAPTER II

Nation's Wealth Limited—Private Property Unlimited

WEALTH VS. POVERTY

Diamonds, rubies, pearls and emeralds by the bushel; gold, silver, cobalt, quicksilver by the carloads; trainloads of costly velvets, silks, laces, paintings, cutglass; hundreds of trainloads of iron, steel, lead, coal, cotton, wool, grain, meat and fruit; millions of horses, cows, sheep, hogs, fowl and game; inland seas, great rivers, wonderful canals, primeval forests; billions of acres of land available for cultivation; magnificent public and private buildings and palaces; beautiful churches, mammoth hotels and many-storied business offices; perfect means of communication and transportation; numberless automobiles, yachts, aeroplanes; and countless myriads of other valuable things that make life enjoyable;—such is this enchanted land of ours, the veritable realm of wealth!

Such a bird's-eye view of American wealth may create the impression that we have reached the highest point of prosperity and happiness; that with such enormous wealth in our possession we cannot harbor among us such an ungainly thing as poverty; and that certainly thousands of roving tramps and hundreds of thousands of the "slowly starving" unemployed cannot possibly be found amidst all that glorious abundance.

Alas, we know better! The apparently improbable co-existence of Plenty and Want, of Progress and Poverty, is in full evidence in our land. Splendid wealth and unsightly poverty stand side by side, grimly eyeing each other; wealth with a look of ill-concealed contempt and abhorrence; poverty,—with the submissively sullen look of a dependent. Wealth would dearly like to get rid of its ragged companion; but poverty clings to it like grim death, and,—so we are told,—must remain with us forever, as a fixed institution.

Such an uninviting picture is plainly seen in our large cities, where wealth is at its best and poverty at its worst. Although in a somewhat modified and softened form, the same is observable in smaller towns, in villages, and throughout the whole land.

The condition is certainly abnormal. One cannot be prosperous and poor at the same time. Either the American people are prosperous or they are not. The volume of wealth and the reputed prosperity indicate that they are; the presence of poverty argues that they are not. **Poverty gives the lie to prosperity!**

A family cannot be considered prosperous when any of its members feel the pinch of poverty; how much less so if most of them are in a similar plight! We, as a large family of human beings, have no right to consider ourselves prosperous while a single case of unmerited poverty exists in our land. Still less are we entitled to the claim of general prosperity when millions of our fellow citizens, able and willing to

work, remain almost constantly in enforced idleness and in the clutches of poverty.

Only after poverty entirely disappears and is heard of no longer may we say, with well-earned pride: **"We Americans are a prosperous people."** Not till then!

Poverty is that discord which destroys harmony in human society. In fact, as long as poverty remains in our midst, harmony is impossible, and the whole of society presents a huge discord.

Therefore, our warcry should be: "Down with poverty!" We should declare against it a war of extermination, and fight it incessantly until it disappears from the face of the earth. Until then, let us not be blinded by the glitter of surface wealth; but let us study and solve the problem of how to get rid of dread poverty, the presence of which among us, in this enlightened twentieth century, is a national dishonor and an impeachment of national intelligence!

WEALTH IS NOT GOLD

Contrary to popular opinion, gold does not play a prominent part among the items of national wealth; in fact, it constitutes only a small fraction of the total wealth. As the measure of wealth, however, and as the universally adopted medium of exchange,—as Purchasing Power,—gold has no peer. Consequently, as such, it is desired by everybody to a degree that approaches adoration.

Gold, thou visible god,
Will make black, white; foul, fair; wrong, right;
Base, noble; old, young; coward, valiant.
—William Shakespeare.

Thus, although comprising only a small portion of wealth, gold, in view of its acquired qualities, is of great importance in all social and commercial transactions, and is erroneously confused with wealth itself. An impression has been created that gold and wealth are identical, and that wealth, either of individuals or of a nation, consists of all kinds of money, with gold as its basis.

This impression, however wrong, is so deeply rooted in the popular mind that real wealth, consisting of eminently useful as well as valuable commodities, has been retired into the background, where it remains almost ignored.

We are, of course, well pleased to know of the abundance of wheat, cotton, timber, etc., in our land; yet, somehow, the consciousness of the fact does not make us feel wealthy. On the other hand, when we read of a billion-dollar Congress carelessly appropriating another hundred millions for a new set of battle-ships, or of the Secretary of the Treasury signing a forty-million-dollar check as the purchase price for the costly Panama enterprise—then only are we conscious of being rich.

Gold, the representative of wealth, is taken for wealth itself, and the ease with which gold and money generally may be exchanged for anything that consti-

tutes real wealth has produced the faulty yet lasting impression that money and wealth are synonymous. Thus a man possessing a million dollars or a corporation worth a billion, appear before our mind's eye as owning that amount of ready cash, in gold, silver, greenbacks, etc. Although, upon reflection, we easily perceive our error, yet the delusion is so general, clings to us so tenaciously, that it permanently misleads many, and effectively obscures the whole field of discussion upon the nature and distribution of national wealth.

MILLIONAIRES OWN WEALTH, NOT CURRENCY

Deluded by the word "dollars," the people entirely ignore the fact that the fortunes of millionaires and corporations consist not of dollars but of those useful and consequently valuable objects which are the composite parts of our national wealth.

In the city of New York, for instance, there is a score of individuals who are credited with owning five hundred million dollars' worth of wealth. They certainly do not own that amount of gold or silver or any kind of currency. They own the substance far more valuable than gold or silver, viz., strictly limited land and buildings in the city of New York, the value of which increases constantly and automatically. While the value of gold remains almost stationary the value of the property of the said twenty New Yorkers is being multiplied a hundredfold, for real estate in

the city of New York is worth to-day a hundred times as much as it was worth thirty or forty years ago.

Therefore, had the fortunes of these particular millionaires consisted of gold, greenbacks, etc., we might remain indifferent. But, as they are well on the road toward ownership—Marcus Crassus' fashion,—of the "most part" of the chief seaport of this nation, it is time for us to pause and give the subject the attention it deserves. "A score of individuals owning one-half of the city of New York" sounds very queerly in a democratic republic, and should attract more than a passing notice from intelligent American people.

This is only one instance. In other directions—in fact, everywhere—similar conditions prevail: modern Crœsuses and their creations, the trusts, have acquired absolute ownership, not of dollars but of the parts and parcels of our national wealth.

Hence it is vitally important, in order to clearly understand the subject in hand, to constantly bear in mind that **MONEY AND WEALTH ARE NOT THE SAME THING**, and that American multimillionaires do not own gold, silver and other currency, but the profit-bringing parts of our national wealth, such as the highly profitable oilfields, coal and other mines, railroads, etc.

NATIONAL WEALTH IS LIMITED

There exists in the popular mind another and still graver delusion in regard to this nation's wealth. Owing to its magnitude, the wealth of this land ap-

pears unlimited, and such it is supposed to be. Its great extent resembles the vast expanse of an ocean, while its countless composite parts, by their changeable nature and extreme flexibility, appear as renewable and inexhaustible as the water in the ocean. It seems that no matter how much wealth may be taken out, there will still always remain so much that no perceptible impression can be made upon the whole volume of wealth. In short, it is taken for granted that the wealth of this nation is unlimited.

This delusion works like a pall spread before the eyes of the people to obstruct their vision. Laboring under this misconception, they regard with serene indifference the advent and ceaseless augmentation of immense private fortunes. They are confident that the formation and growth of millionairism makes but little impression, if any, upon the limitless bulk of national wealth, and that no matter how much of it may be appropriated by individuals or corporations, society cannot be harmed by the fact.

Such a rosy view of the resources and possibilities of our country is, unfortunately, based upon a wrong foundation, and consequently is erroneous and not supported by facts.

Uncle Sam, being a prudent business man, causes a decennial census-taking of his children and their chattels. The official enumerators usually have no difficulty in ascertaining the worldly possessions of the people and the exact total wealth of the United States. It has been found that on June 1, 1910, the American

national wealth presented the exact figure of \$107,-104,211,917, **not a dollar more or less.**

Had the wealth of our country been as unlimited as water in the ocean,—and as the people imagine it to be,—it surely could not have been so easily ascertained, enumerated and appraised. Everything that had any value was taken into consideration. All the real and personal property of the people; all public and private buildings, mines, forests, crops, livestock; in short, absolutely everything of value that was contained on June 1, 1910, within the borders of the broad dominion of Uncle Sam. Obviously, **there is a certain limit to it** if the sum total can be so easily found.

Our land has well-defined natural limits not to be transgressed. We have an ocean on each side, the Dominion of Canada above, and Mexico below us. The efforts to expand in any direction would be met with opposition. We must be contented with the possession of a limited landed property.

As regards the particulars of that property, it is well known that our wealth in timber is fast diminishing, and that this gives uneasiness to the forestry experts, who recommend various measures for its conservation and preservation. The same may be said of the naturally exhaustible coal lands, oil fields, and other resources of the land. Natural limitations of some parts of our wealth are beyond dispute. It is quite evident, for instance, that should all oil fields become the property of one family, the rest of the people will be (are?) obliged to pay that family any

price it may "fix," because there will be no more oil to be had anywhere else in this whole broad land.

So far so good. Yet it may be stated that the natural limitation of our resources need not give us much uneasiness, because the resources of our land are, generally speaking, so great that they can supply plentifully a population many times exceeding the present one. The exhaustible forests, coal mines, etc., if properly managed, will last for many generations to come, and, when they are finally exhausted, the ingenuity of the American people can be relied on to invent some efficient substitutes. So there is no apparent reason for worry on this account.

POSSIBILITIES ARE LIMITLESS

Dame Nature appears to have been even more bountiful in other directions. Her generous gifts, such as crops, cotton, wool, livestock, etc., are not only innumerable but can unquestionably be renewed and increased at will, and to a really unlimited extent.

A superficial observer may exclaim: "Our national wealth is indeed boundless." It is not so. Our wealth is not boundless; it is **our possibilities to produce and increase wealth that are limitless.**

We have the facilities,—immense natural resources and a highly industrious people,—to produce a truly immense and limitless wealth, and thereby **banish from this land every case of unmerited poverty and privation.**

Why don't we do it? Why is it that wealth actually produced falls so far short of supplying with comfort and ease **all the people, without a single exception?** Why is it that our wealth appears, in this respect, **very much limited indeed**, and that every now and then, to add insult to injury, an inane cry is raised of overproduction. Imagine **overproduction in a country teaming with indigence!**

What is it that causes production to stop short before general comfort is reached? What is it that deprives the majority of American people of an equitable participation in our immense American wealth? In order to find the correct answer to these most important questions we must inquire into the nature and effects of that ancient law of supply and demand which is, as yet, only superficially understood.

WEALTH IS LIMITED BY PURCHASING POWER OF THE PEOPLE

A manufacturer does not make a million chairs when he knows that he can dispose of only one-tenth of that amount. A farmer would be unwise to raise a million pumpkins when his experience teaches him that he can sell only a much smaller quantity. Thus, wealth produced by a manufacturer, or a farmer, or by any other producer, must always be complied with the demand for it. **It is strictly limited by such demand.** Men do not work in factories or on farms for the fun of the thing. They do so for wages or profit,

because the owner, or manager, knows that there is a demand for the goods produced by them.

It seems plain that demand (which is closely allied with purchasing power) is that force which keeps the production of wealth in any nation **within certain limits**, beyond which it would be unprofitable to produce more wealth. When the demand is large, wealth is increased, and vice-versa. A naturally unlimited expansion of wealth is always regulated and strictly **limited** by the demand for it.

American wealth is no exception to the rule: whatever the American people may **demand**, and are able to **purchase**, is produced, and no more. **THEREIN LIES THE LIMIT OF AMERICAN WEALTH.**

It is most imperative to bear in mind that this is the **truth and nothing but the truth**. Political economists know this very well. Yet they serenely dismiss the subject with the superficial statement: "As human wants and desires are unlimited, a demand for goods is also unlimited." Obviously short-sighted reasoning, for unfortunately the "wants and desires" of the majority of the American people are indeed unlimited, yet their real "demand" for goods,—what they can pay for them,—is far from being unlimited; in fact, it does not amount to much!

In order to become an economic force, demand must be supported by purchasing power, by money. Without it, demand is only a potentiality, not a reality; a mere "desire," generally unsatisfied, until the means are procured for converting it into "demand."

This point is inexplicably overlooked by orthodox political economists. It is sometimes hinted at, but never thoroughly analyzed.

PROSPERITY DEPENDS ON PURCHASING POWER OF THE PEOPLE

In the animal kingdom, and among savages, physical force is sufficient for the effective backing of wants and desires, and therefore it takes the place of "purchasing power." It constitutes the real "demand" of beasts and savages.

We, being civilized, may not use our physical prowess for such a purpose, for, if we do, we are liable to land in prison or in a lunatic asylum. We must support our "demand" for any goods with a certain quantity of substantial purchasing power in the shape of gold, silver, greenbacks or other magic "open sesame" of modern times.

We must have gold or other currency, otherwise our desires, and even wants and necessities, will remain unsatisfied, and the "demand" will be non-existent (except in the books on Political Economy).

Economic demand is so closely allied to the purchasing power of a given community that it may safely be assumed that the GENERAL PROSPERITY OF A NATION IS EXPRESSED IN THE AGGREGATE PURCHASING POWER OF ITS PEOPLE. Nothing new, perhaps, yet so far but poorly understood.

As regards the American nation, the aggregate purchasing power of its people cannot be very large, when we know from reliable official statistics that more than 90% of our people are living on the average wages of \$9 a week for a family of five! Such meager wages are barely sufficient to satisfy the wants and necessities of our population; they are utterly inadequate to satisfy any desires for comfort, recreation, leisure, etc. Therefore, the desires of the majority of the American people, lacking the means for their support, do not rise to the dignity of a "demand" and remain unsatisfied. Then the corresponding "production" of goods becomes limited, and even crippled, and the period of "hard times" sets in.

The wealth of any nation is thus limited in its volume. Anything that tends to **increase the aggregate purchasing power** of the majority of the people widens these limits and **increases wealth**; anything that has a tendency to **decrease the people's purchasing power** correspondingly **decreases its wealth**.

When all the profits from the most important industries of the country flow unrestrainedly to a few families, while the rest of the people are compelled to live exclusively on their meager "wages," is it not ridiculous to call such a condition "prosperity"? The United States at this time is exactly in such a condition. The national wealth is now sadly limited by the withdrawal from the purchasing power of the American people of almost **the entire volume of profits from their industries**.

Obviously, a rearrangement of the channels through which the profits from our industries flow is imperative. Elimination of millionairism by the enactment of a law limiting the private possessions of individuals say to \$250,000, is a step in the right direction. It cannot accomplish the desired result all at once; but it is bound in the course of time to TURN TOWARD THE PEOPLE THE TIDE OF PROFITS FROM THE PEOPLE'S INDUSTRIES. By so doing it will add greatly to the aggregate purchasing power of the American people, will broaden the limits of production and wealth, will spread broadcast the comforts of life, and will make unmerited poverty a condition of the past, to be remembered with sadness and horror.

WEALTH OF ROBINSON CRUSOE

Before we leave this chapter let us take a look, by way of illustration, at our old friend, Robinson Crusoe, on his lonely island.

Crusoe needed no purchasing power. When he found a heap of gold he addressed it disrespectfully: "Oh, drug! What art thou good for? One of these knives is to me worth all this heap. . . . I have no manner of use for thee."

On the other hand, when, during his explorations of the island, he found many articles useful and valuable to him, he wrote in his diary: "I found many cocoa trees, oranges and grapevines, and I was exceeding glad of them. I contemplated with great pleasure the fruitfulness of the valley. . . . I was the

lord of the whole manor. . . . I had nothing to covet, for I had all I was now capable of enjoying. . . . I might have raised a ship-loading of corn, but I had no use for it. So I let as little grow as I thought enough for my occasion. . . . I had timber enough to build me a fleet of ships, and I had grapes enough to have made wine, or to have cured into raisins, and to have loaded that fleet when it had been built. But I had enough to eat and supply my wants, and what was all the rest to me? If I killed more flesh than I could eat, the dog must eat it or the vermin; if I sowed more corn than I could use, it must be spoiled. In a word, the nature and experience of things dictated to me that all the good things of this world are no further good to us, than they are for our use."

There is much wisdom in this homely reasoning of our friend Crusoe. His wealth was apparently unlimited, yet a census-taking would have revealed the fact that all his available wealth consisted only of a cave or two, a flock of goats, some clothes, tools and a stock of provisions—a quantity of articles **strictly limited by the demand for them**. His wants and desires having been satisfied, all other things to be found on the island were "of no manner of use" for him, for he had "enough for his occasion."

OBJECT LESSON FROM CRUSOE'S ISLAND

The situation and philosophy of Robinson Crusoe are instructive as well as interesting.

First of all we notice that he had "no manner of

use" for gold. A corroboration of the statement made at the commencement of this chapter, that gold is not wealth but only an expedient measure of the same and a medium of exchange. As both of these attributes of gold were of no value for a lone man, he rightly pronounced it a useless "drug."

Furthermore, Crusoe had the facilities and plenty of time to produce hundreds of times as much as he actually produced. But he voluntarily limited his wealth production, adapting it to his wants. Thus, by his own volition, his apparently unlimited wealth was made strictly limited to the extent of supplying his wants and desires.

Such a phenomenon is observable everywhere, be it on the desert island of Robinson Crusoe or in the well-populated and highly civilized United States. The extent of the wealth of any nation is invariably proportionate to the welfare of its population. The higher the welfare, the larger the wealth; and vice-versa.

The welfare of Robinson Crusoe was, upon his own testimony, very high. He had nothing to covet, having all he was capable of enjoying. He did not care to increase his wealth-production, because all his wants and desires were fully satisfied.

How do millions of American citizens compare with Robinson Crusoe? Have they also nothing to covet? Have they all they are capable of enjoying? Have they "killed more flesh than they could eat . . . sowed more corn than they could use"? Are they all

well housed, comfortably clad, nourishingly fed, and, in short, are all their wants and desires fully satisfied? Alas, all these questions must be answered in the negative. **Many Americans are infinitely worse off than Crusoe ever was on his miserable island.** Although their natural resources are unquestionably great, their energy for work and inventive genius exceptional, and their intelligence certainly superior to that of a poor shipwrecked sailor—yet the majority of them are barely satisfying their necessities, while their desires for comfort, recreation, leisure, pursuit of arts, etc., remain mostly unsatisfied.

For this unenviable condition they have no one to blame but themselves because they have unwisely granted to a few individuals the unnatural and extremely harmful privilege of **APPROPRIATING UNLIMITED PORTIONS OF THE LIMITED WEALTH OF THE AMERICAN NATION.**

CHAPTER III

Unlimited Unearned Profits—Unlimited Evil

EQUITABLE DISTRIBUTION—BASIS OF PROSPERITY

"The corporations of the future will serve the public as semi-public servants, with ownership widespread among the public. In broadly distributed ownership among the public and labor the profits are distributed among the people."

—Geo. W. Perkins, in an interview in the
"New York World."

It is the prevalent opinion, upheld by many scientists, that only three things are necessary for creating wealth and rendering the people prosperous: plenty of productive work, men to do it, and means to do it with. While it is true that the presence of all these three factors is needed for making wealth, a fourth factor is required to bring that wealth within the reach of the entire population,—EQUITABLE DISTRIBUTION OF WEALTH. A condition without which "prosperity" is a delusion and a snare.

We need not look abroad for the proof of the truthfulness of the above assertion. Our own country proves it beyond doubt. We have an abundance of productive work to be done; an industrial army of able men to do it; and great natural resources and

facilities to do it with. Yet copious evidence demonstrates that we are, as a nation, prosperous only on the surface,—or rather on the top. Such skin-deep prosperity is explainable by the absence of that fourth important factor,—the equitable distribution of wealth. We have indeed in our midst a few fabulously wealthy families, while the bulk of our population consists of families either homeless or owning property not worth mentioning: according to the figures of the latest census, the majority of our people own only property represented by their fire insurance policies,—a pitiful average of \$250 worth of household furniture. If such a condition can be dignified by name “prosperity,” then what is “poverty”?

It is apparent that the making of wealth is not all-sufficient. Political economists, who emphasize the good that results from investment by millionaires of their great fortunes into business, obviously are attaching undue importance to the production of wealth, at the same time slighting the equally important,—if not more important,—distribution of goods produced. For of what use is it to produce immense stacks of goods only to burden the shelves of the retailing tradesmen? The people cannot afford to purchase them, having but meager resources at their command. And the latter will never increase, unless the distribution of wealth becomes more equitable than it is at the present time.

TWO CHANNELS OF DISTRIBUTION OF WEALTH

The wealth of the American people, while in the process of economic distribution, flows incessantly through two main channels: Wages and Profits. There are many subdivisions of these chief ways; but, to simplify the discussion of the subject, all the sources of income may satisfactorily be designated by these two general names.

In order to satisfy our needs and desires we must draw from one or the other of these channels. The life-giving fluid that flows through them is, like the precious water in the desert wells, indispensable for our very existence. There is positively no other way of making a living. We must either offer our services in an open market, and receive for them wages (salaries, fees, commissions, etc.), or, if we happen to own any capital, we may let other people have the use of it for a consideration of profits (interest, dividends, rent, etc.).

It is indisputable that the majority of the American people are relying exclusively on wages for their living; "profits" are known to them by name only. From the President of the Union, at \$75,000 per annum, all through the various stages of wage-earning down to an office-boy at \$3 per week, the people draw from one channel only, the wages. Such is the lot of 999 men out of every 1,000 Americans.

The lucky "thousandth" men, though naturally very

few in number, have the immense channel of profits all to themselves: they draw from it to their hearts' content and to the exclusion of the rest of the people. **This fact is strangely overlooked by the orthodox political economists.**

Therefore, the problem before us is narrowed to this: how can a distribution of the national wealth be so regulated as to enable the remaining 999 men to also participate in profits in addition to their wages? Such participation is not only desirable, but imperative; without it an equitable distribution is an impossibility, unless we accept the Socialistic dictum that profits should be abolished altogether.

Unless such a participation takes place, the entire economic structure of the United States will soon present (some say it is presenting) a picture of the Roman Republic at the time of its decadence: a few immensely rich Kings of Wealth and the majority of the people everlastingly struggling with dread poverty. **Indeed, no amount of political liberty can do the American people any good as long as their economic condition is wrong at its very foundation.** It effectually prohibits the people from the enjoyment of their political freedom.

But can such a participation of the "greatest number" of the people in the profits from their industries be effected? **It certainly can.** The purpose of subsequent pages is to show that the enactment of the proposed Law of Limited Ownership is the right way of procedure. It can accomplish the desired result in

an honest, straightforward way, without recourse to any subterfuges and makeshifts. It will make the equitable distribution of American wealth a fact.

Before proceeding further, however, it is necessary to inquire into the nature of "profits."

PROFITABLE FACTORY OF MASTER GWYNNE

Let us imagine a young gentleman, Alfred Gwynne, who has inherited from his father a well-appointed lace factory worth \$100,000. This "business property" yields him a net "profit" of \$6,000 per annum.

A visit to his factory would reveal to the gaze of a visitor a large hall filled with quaint-looking and highly complicated machinery. Accompanied by the humming sound of rapidly revolving wheels and belts, numerous finger-like attachments to the machinery are bewilderingly dancing, now up and down, now sideways, but always catching at some golden silk or other delicate thread, and producing lacework of exquisite designs. To a casual observer this would appear like an enchanted world. The human-like intelligence, combined with perfect accuracy and precision of these ingenious machines, will, no doubt, fill him with admiration.

It is Master Gwynne's capital. Everyone of these costly machines is faithfully working for him, their "owner," and coining for him his profits of \$500 per month.

But, as a matter of fact, the machines are not working unaided. Were there no living labor, whose personal services are operating them, these machines, ingenious though they be, would have been worth only as much as a junkyard would have allowed for them as scrap iron. **The presence of "living" labor always transforms inanimate worthlessness into high value.**

So in this factory there are also in evidence diverse human working machines, not exactly "owned," but "employed" by Master Gwynne. A visitor would observe some unnaturally quiet and solemn-looking little girls, patiently replenishing feed boxes with the new stock of thread; several hard-faced and begrimed men, tending to the necessary lubrication of the machines; and in the office the apparently hump-backed young men, bending over their "books," and the automatic girl typewriters pounding incessantly on their keyboards. These are the receivers of "wages."

Master Gwynne, the happy owner of the inanimate machinery, and employer (semi-owner) of the animated machines, need not trouble himself about anything: his manager will hire his employees; will discharge or lay them off, when necessary; will purchase new stock and sell the produced goods; in short, will superintend the entire work in the factory and attend to all the details of the management. The only thing which Master Gwynne has of necessity to do is—**TO DRAW CHECKS AND ENJOY LIFE**, keeping within the comfortable limits of his **obviously unearned profits of \$17 per day.**

Master Gwynne, without rendering any services whatever, is at liberty to pursue the easy and indolent life of a human butterfly, that flutters from flower to flower, feasting upon the sweets of life, without in the least earning them. His "machines" are doing for him yeoman's service, enabling him to pass through life as if it were a continuous holiday!

EXPLOITATION OF TWO SETS OF WORKERS

With the proceeds from his business property Master Gwynne is in a position to command the annual labor of another set of about fifty of his countrymen, who will zealously work for his benefit. In exchange for the "purchasing value" of his income he will find, daily, waiting for him, respectful servants, excellent meals, fashionable clothing, an auto for a drive, clubrooms for an afternoon lounge, a box in a theater for the evening, and on every side the pleasant smiles of all who may come within the touch of his magic wand of gold.

No physical or mental exertion will be required of him: all the foregoing good things will be his, as long as he desires them, in exchange for the value of his snug income of \$6,000 per annum.

On the other hand, we have seen that the magic dollars of his "profits," just before they reached his pocketbook, were actually "earned" by the combined labor of his machinery and his employees; he cer-

tainly **did not earn them**; his factory employees did that for him.

Thus it is plain that Master Gwynne is enjoying the **SPECIAL PRIVILEGE** of every capitalist to **exploit two sets of workers**: those who by actual labor in his factory have earned for him his annual profits of \$6,000, and those elsewhere who also by actual toil are supplying him with all he wishes to have, **TAKING FROM HIM IN EXCHANGE THE VERY DOLLARS EARNED FOR HIM BY THE FIRST SET OF WORKERS**.

To be a capitalist, even in a small way, is indeed a special privilege!

Such is invariably the process of the so-called "living on profits" (were it dividends, rent, interest or any other form of income on capital). The dollars that make up such an income **must be earned by some one's labor before they reach the capitalist**. They do not drop from the skies, neither are they gathered on bushes by the roadside; someone's actual labor must earn them before they find their way to the fortunate go-between, the profit-gatherer.

The owner of capital may remain idle as long as he pleases, while two distinct sets of workers will incessantly labor for his benefit. It is his "special privilege" to give to his country absolutely nothing for all the good things he receives.

Applying the same reasoning and analysis to the phenomena of the industrial world of the present day, we can readily perceive that **THOUSANDS UPON**

THOUSANDS OF AMERICANS ARE CEASELESSLY TOILING FOR THE BENEFIT OF EACH AND EVERY ONE OF THE INDUSTRIAL UNLIMITED OWNERS. This statement is made without any malice, bitterness or envy; it is merely a truthful and impartial analysis of the unnatural conditions existing LEGALLY in modern society, with the people's consent, but hardly with their clear understanding.

The fortunate owners of the explained special privilege may, if they choose (and many of them unquestionably do so), remain indefinitely in luxurious idleness, giving personally to their country nothing except their ornamental selves, which, unfortunately, are often worse than nothing. In this connection the following specimens of glittering worthlessness may be duly remembered: a millionaire youth of carnation fame; a millionaire man-slayer; a self-expatriated American multimillionaire, and many others of the same nature.

SHOULD PROFITS BE ABOLISHED?

We have taken a passing glance at the personnel of the factory employees of Master Gwynne. They belong to the well-known type of "tenement-dwelling" wage-workers. They lead an unenviable existence on the average wages of \$9 per week, and their work-day consists of from 10 to 12 hours of uninteresting and monotonous toil. These unfortunate semi-slaves of

the unnatural system of modern society are toiling week after week, and month after month, and receiving their market-regulated "existence wages," while the entire profits from the business go to Master Gwynne, and provide him with the means to enjoy life.

Master Gwynne may be an exquisite young man, of excellent manners and irreproachable habits;—yet it must be admitted that the fact of his enjoyment of the luxuries and pleasures of life at the expense of those pitiful tenement dwellers,—and of that other group of no less hard-working men,—is unjust and unnatural, to say the least.

An income from capital,—were it interest, dividend, rent, or any other form of profit,—is always of the same nature: it brings to its owner the unearned, by him, fruits of the labor of his fellow-men, and also enables him to command both the present and the future labor of still another group of men. In fact, IT GIVES HIM A MORTGAGE ON THE LABOR OF FUTURE GENERATIONS YET UNBORN.

Is it not an awful privilege? Is it right that human beings should remain on the level of beasts of burden, and labor for someone else to reap the benefit from their toil, while they themselves are allowed only enough "fodder" to keep them in good working condition? Is it right for one man to say to many men, in the words of Abraham Lincoln: "You toil and work and earn bread, and I'll eat it"? Is it right that any good-for-nothing idler should be permitted,—nay,

encouraged,—to remain in luxurious idleness? If it is wrong, what is to be done? Should the income on private capital,—profits,—be abolished, as the Socialists advise us?

PROFITS ON LIMITED PRIVATE PROPERTY ARE JUSTIFIABLE

Over 300 years ago a law was enacted in England which announced that “Any interest on capital, being forbidden by the law of God, is a sin and detestable.” Furthermore, the law imposed “A forfeiture of the principal upon those who had taken an interest of 10% or less, and upon those who had taken more than 10% a forfeiture of treble the principal, imprisonment and fine, and a ransom, at the king’s pleasure.” Wise men of olden times evidently considered it as ungodly to countenance a “premium on idleness.”

The father of Socialism, Karl Marx, said many years ago in his famous treatise, “Capital”: “Capital is a dead labor, which vampire-like becomes animated by sucking the life-blood of a living labor; and the more it consumes the better it thrives.”

At first sight, it appears almost inexplicable how, in spite of such relentless prosecutions on the part of the law and vehement denunciations on the part of science, the income on capital, in the shape of interest and other forms of “profit,” not only survived, but is regarded as an essential part of the so-called “vested and sacred” rights of property, which may not be assailed lightly!

The natural inference is that there must be a weighty reason for such tenacious vitality of a principle once vigorously denounced, and now religiously upheld. The explanation is simple. Property and profit are near relations: the one is the parent of the other. By denying property we would have to deny its offspring, profits; and vice-versa. On the other hand, by accepting the right of private property, we must also accept the right to derive profits therefrom. To deny the owner the right to derive profit from his property would be as senseless as to deny the farmer the right to milk his cow or to gather apples from his apple trees.

There is still another reason why an income on capital has been universally accepted. It rests upon the assumption that an accumulation of capital, at least in the beginning, is the result of frugality, of saving, and the product of one's own labor. As such it is entitled to a reward, which the owner may receive in the shape of an "income."

Either of the reasons mentioned is sufficient for a complete justification of an income on capital. The people, having instinctively realized this, have sanctioned such an income with the seal of their approval, in spite of the vigorous efforts of both law and science to drive it out of existence.

Unfortunately, the people have failed to recognize that in this, as in everything else in this world, there should be a LIMIT, which may not be transgressed with impunity. Because, like his parent property, in-

come on capital is, within certain limits, a blessing, and, beyond them, a withering blight.

LIMITED INHERITANCE IS ALSO JUSTIFIABLE

Let us imagine that Master Gwynne's father, an industrious business man, had succeeded in accumulating a small fortune of \$100,000, after many years of arduous labor and self-denial. Then he became old and unable to work any longer. Was he not entitled to retire from business, to rest, and reap the reward for his past labor by drawing an income on his well-earned capital? The answer is plain: he certainly was entitled to such a reward. Society could not possibly deny an aged workman the privilege of investing his savings in any way he might have chosen, and to derive profits from them.

In the course of time our friend, the aged workman, died, leaving his hard-earned \$100,000 to his only son, Alfred Gwynne. Alfred, being a prudent youth, invested his inheritance into the above described lace factory, and, having performed this solitary act of business, he also retired from business, resting on his father's laurels, and reaping, to this day, a reward for his father's "dead labor" by exploiting two sets of "living labor" to the extent of \$6,000 per annum.

Now we find ourselves in a dilemma which is quite perplexing. We have remarked, in the case of Master Gwynne, that his butterfly existence at the expense of

the labor of two groups of hard-working men is unjust, to say the least. On the other hand, we have been compelled to admit, in the case of his father, that an aged workman has an unquestionable right to enjoy the proceeds of his life-long toil. Should we then deny the aged workman the privilege of bequeathing his savings to his son? Or should we deny Master Gwynne the privilege to inherit and enjoy the proceeds of his father's labor? Neither course may be pursued with any degree of reason. The father, no doubt, had toiled and saved with the view of providing for the future welfare of his son. Any animal, bird or insect, led only by instinct, provides for its young. Surely man, the peer of creation, may not be denied the same privilege. Hence a child also may not be denied the right to enjoy and profit by the proceeds of his father's labor and forethought. Such a right is a sequence to his father's privilege: by denying either we would have to deny both.

Therefore, upholding the right of private property, we must concede to the owners of said property the privilege of drawing a reasonable income from it, either for themselves or in the person of their heirs.

In the latter case we have to reluctantly accept the inevitable evil of the existence of human parasites, unworthy heirs to the accumulations of "dead labor," mercilessly exploiting "living labor"; the too-often worthless sons of worthy fathers.

NECESSARY EVIL NEED NOT BECOME UNLIMITED EVIL

Having been compelled to admit an evil, we are under no obligation to legalize unlimited evil.

We may permit Alfred Gwynne and his kind the undisturbed ownership of private property worth, say, \$250,000, more or less, from which they may derive and enjoy a REASONABLE AMOUNT OF UNEARNED PROFITS. But let there be some LIMIT. Man's right to the enjoyment of a comfortable income, whether from saved or inherited capital, cannot be denied; neither can be disputed the privilege to suitably provide for one's children. But to go beyond a certain reasonable limit, and to legalize unlimited unearned profits, is a grave injustice to those faithful workers who everlastingly toil for the benefit of a capitalist.

It is true that, when we recognized the property-right of a farmer to his apple orchard, we agreed that it would be senseless to deny him the privilege of gathering apples from his apple trees. Yet would it not be still more injudicious to allow a particularly clever farmer to acquire the right of property to all the apple orchards in the land, and to grant him the exclusive privilege of gathering and selling for profit all the apples to be had in the United States? Is it not exactly the same Special Privilege which was unwisely granted by us to various individuals in regard

to our public utilities, such as oil, coal, sugar, tobacco, etc.?

AMERICAN BACCHANALIA OF PROFIT-GATHERING

Nowhere on earth can be observed such enormous profit gathering by business millionaires and their families and heirs as in the United States. Countless millions of dollars, earned, as was explained, by hosts of American wage-workers, are gathered up and mostly reinvested by said millionaires to gather new profits, while a considerable part is lavishly squandered on such unprofitable and unworthy enterprises as the rebuilding of castles for debilitated European nobility, furnishing the said nobility with the means for leading a life of idle dissipation, etc.

There are scores of American women, daughters of millionaires, who have traded hard-earned American dollars for silly titles and a life of apparent glitter, and, too often, of real misery. A great many of these woebegone duchesses, countesses, and other "ladies," are at present either divorced or simply "separated" from their original husbands, some of them having purchased the second edition of a titled lord.

One of the most prominent among the title-hunting heiresses of New York is reputed to be the richest young woman in the world, having inherited a fortune of \$25,000,000. Another duchess from America is rich enough to have purchased a "quiet" separation

from her duke, by assigning to his lordship an annuity of \$100,000, to be paid to him in good American dollars every year, as long as he graces this world with his ornamental presence. In other words, by this action of "her highness" her ex-lord will be the lawful recipient, for many years to come, of the proceeds of the annual labor of at least one thousand American workers, who will labor exclusively for him, in exactly the same way as their brethren were shown to toil for the benefit of the owner of the lace factory, and as the numberless other American wage-workers are toiling for the benefit of a British Astor, of a homicidal lunatic Harry Thaw, and of many other human drones.

An absentee King of Wealth, who contemptuously spurned American citizenship in order to become a "subject" to British Majesty, is, thanks to that time-worn iniquity, the right to unlimited private property, gathering a ceaseless stream of unearned profits from his immense business properties in the city of New York (mostly high-priced hotels, apartment houses, etc.). It is conservatively estimated that he receives annually twelve million dollars,—ONE MILLION A MONTH,—in absolutely unearned profits (Would it not be laughable to call them earned?) and expends them munificently in entertaining British royalty and its glittering satellites. Meanwhile in America these profits, before they are shipped across the ocean, are earned by the actual toil of at least 50,000 American wage-workers.

Another glaring specimen of an idle millionaire-by-inheritance, supported by the labor of many thousands of Americans, is a young man who has inherited from his father the snug fortune of \$100,000,000, mostly in profitable Central Railroad bonds and stocks. His annual income (obviously unearned by him) amounts to many millions of dollars, and enables him to indulge in the pastimes of costly coaching exercises, expensive love-affairs, and other similarly questionable activities. The evil admitted by us in the case of the young owner of that imaginary lace factory, in this case is multiplied many thousands of times, becoming a truly UNLIMITED EVIL.

PROFITS OF A CAPITALIST ARE ALWAYS UNEARNED

To say that the profits of a capitalist are always unearned does not sound as a statement embodying truth; yet such is the case, as we shall presently see.

In Master Gwynne, the British Astor, and the title-hunting heiresses, we have exposed for observation the male and female idlers who are enjoying the special privilege of drawing obviously unearned profits. The injustice to actual workmen, who **earn** these profits and support the idlers by their labor, was rendered thus more palpable and emphatic. But, as a matter of fact, the personality of a capitalist does not alter the nature of any income on capital, which is ALWAYS UNEARNED, or rather earned by the labor of someone else.

We may imagine Master Gwynne as an industrious and talented young man, assuming the duties of his factory manager and becoming an active head of the concern. In such a case he would **earn his manager's salary in addition to his unearned profits**, so that, if such a salary were \$2,000, his total income would rise to \$8,000 (\$6,000 plus \$2,000), **the unearned profits remaining the same.**

It seems plain that a capitalist can never **earn** his profits. He may, however, increase them, and, if such increase should be due to his talents and industry, his **salary** should also be increased, as an adequate **compensation** for his able management. But the profits from his business **he does not earn: they are earned for him by the combination of his capital (dead labor) and his employees (living labor).**

Therefore, were the capitalist the most gifted, enterprising and persevering person, his privilege to appropriate for himself all the profits earned by the machinery and by actual laborers may be conceded **only as an expedient and within certain limits, but not otherwise.**

The fact that modern captains of industry are not as worthless as Master Gwynne, and that many of them are highly talented and deserving, does not justify their wholesale appropriation of the fruits of the labor of others. The Father of Trusts, for instance, was certainly entitled to, and fully earned, a large remuneration for having devoted his unquestionable genius to the development of the oil industry of this

country. But no stretch of the imagination and no amount of sophistry can reconcile one to the idea that he is now **earning** the enormous profits, amounting to \$50,000,000 (A MILLION A WEEK), derived from innumerable industries in which his immense accumulations have been invested, reinvested, and again reinvested. It should also be remembered that this stupendous income of "a million a week" does not drop from the skies, but is actually **earned for him** by his inanimate oil pipes, mines, mills, shipping, etc., and by the daily toil of an army of over 100,000 employees, whose average share is the usual "existence" wages of \$9 a week. Indeed, it is an "evil on a large scale"!

Unfortunately, this particular billionaire is not the only one in the business of exploiting by the wholesale. The fathers of the afore-mentioned title-hunting heiresses are doing the same. They are busily engaged in piling profits on profits, millions on millions, by all means within their reach, whether fair or foul; by liberal watering of their stocks; by gentlemen's (?) agreements; by cheating the Government of taxes; by getting indicted one day and whitewashed the next; in short, by fleecing American lambs vigorously and incessantly.

These opulent gentlemen, veritable Kings of Wealth, scarcely 5,000 in number, have thus far amassed an enormous "private wealth," which in its volume equals the **total combined wealth of twenty-six States of the Union**, counting public and private land, buildings, mines, forests, everything. They have rendered the

equitable distribution of American wealth an object for ridicule.

Meanwhile, the people, being unable to trace the present deplorable condition to its primary cause, are wondering why is it that, in spite of the presence of all the requisites necessary for creating prosperity, the unemployment and poverty are chronic among them; the army of tramps on the increase; and in the cities many thousands are officially reported as slowly starving from "under-nourishment"!

WORKERS ARE EXCLUDED FROM PARTICI- PATION IN PROFITS

We have seen that in America only one person in a thousand is enjoying the privilege of living on the profits from his capital; while the remaining 999 citizens are dependent on their wages for a livelihood. The only hope for the latter to ever emerge from a state of continuous need and dependence lies in the possibility of their acquiring a share in that other huge channel of wealth, Profits. Such a possibility is not recognized by Socialistic doctrine, which flatly declares that all private profits should be abolished. But as long as profits from private business properties are "a condition, not a theory," the people should strive to get a just and equitable share in this part of their national wealth. In vain, though, would they cast their wistful eyes over the entire field of profitable industries; they will find everywhere industries appropriated, and in most cases monopolized outright, by

the select few, to whom all the profits flow unrestrainedly and in a ceaseless stream. Nothing is left for them but their existence-level wages to thrive upon. **A hopeless and a cheerless prospect for many in this land of apparent plenty!**

The absence of any limit to private holdings gives to any capitalist a legal right to expend a large amount of his "profits" derived from American industries, and still reach for more and more. Meanwhile, the majority of American people are thus driven further and further into a condition of poverty and dependence.

We have seen that the immense channels of Wages and Profits are approximately of equal volume. Yet more than 90% of our population are completely excluded from any participation in the channel of Profits; they are denied any share in the enormous amount of business "profits" WHICH THEY ACTUALLY EARN, BUT RECEIVE NOT. Is it any wonder that they look to Socialism for relief? Why should they, though, when it is within their power to enact a simple and just Law of Limited Ownership, and thereby open for millions of Americans an equal opportunity of sharing in the common industrial wealth of this nation?

LET EVERYONE GET WHAT HE DESERVES

The policy of society should be to treat all equitably, rich or poor alike, doing injury to no one. The aim should be to let all get what he deserves, whether a

man be a genius like Thomas Edison, a hero like George Dewey, or a colossus of the industrial world like John D. Rockefeller; or last,—but not the least,—an everyday humble worker, without either genius or any particular ability.

Let all get what they are worth to society, **what they earn and deserve.** And let no one suffer; let the weak be protected from the encroachments of the strong; let no one be abandoned to starve in this land of plenty.

At the present time the reward given is out of proportion to the services rendered, or even to the merits of the recipient. Mr. Edison is said to have been well rewarded by society, but it is safe to assume that his fortune is as nothing in comparison with the dazzling business properties of many idle millionaires-by-inheritance. Admiral Dewey is receiving from his grateful countrymen the modest salary of \$13,000 per annum. At the same time Mr. Rockefeller is granted the monstrous privilege of drawing upon them annually for over \$50,000,000 of “unearned profits.” Thus, judging by the size of the reward, Mr. Rockefeller is more valuable to this land than one thousand geniuses like Thomas Edison, or five thousand heroes like George Dewey. Truly, the reward is incompatible with merit.

As regards the forgotten and neglected humble wage-worker,—who, by the bye, comprises no less than 99% of the population,—he receives for his everlasting toil a pittance of \$9 a week for a family of five, and

is paternally reminded that he must be thankful for receiving as much, because his fellow workers in Europe are receiving even less than he does. MISERY MUST BE CONSOLED BY THE KNOWLEDGE OF THE CO-EXISTENCE OF DEEPER MISERY.

Such an obviously unjust and deplorable condition of our country must not be allowed to continue: the majority of the population must not be suffered to merely exist on semi-starvation wages, while a few individuals are granted a Special Privilege to "grab-as-you-please" and to luxuriate on "unearned profits."

The people may concede, as an expedient, to any capitalist, whether active or idle, the privilege to acquire, own and profit by a reasonable amount of private property; but under no circumstances should such property remain unreasonably unlimited; for in such a case the equitable distribution of American wealth will forever remain an unattainable myth.

Nothing but a direct limitation by law of private ownership of wealth will ever throw open to the people the participation in that immense channel, Profits, which comprises one-half of the wealth of this nation and is at the present time in complete possession of the few Kings of Wealth.

CHAPTER IV

Private Monopoly—Foe to Civilization

ENIGMA OF PROGRESS AND POVERTY

To the nineteenth century belongs the credit for the invention and application of innumerable labor-saving machines and devices. A magnificent industrial development was the natural result of these achievements. Yet the venerable Alfred Russell Wallace remarks, with excellent reason: "It is the crowning disgrace of the nineteenth century that, with a hundred-fold increase in our power of wealth production,—adequate to abundantly supply every rational want of our entire population,—the workers are, on the average, as deeply sunk in poverty and misery as before." This is the grave enigma of "Progress and Poverty," as yet unsolved.

To the people generally, and to the American people in particular, belongs the credit for exercising their inventive genius in the right way, and also the discredit for displaying but a limited sagacity when they permitted the incalculable benefits and profits, resulting from great inventions, to flow unrestrainedly in the wrong direction: **not to the people**, as they should have; but **away from the people**, and to a few specially privileged individuals, who have thus easily monopolized all the important industries of the land.

The task of the twentieth century is plain. It must

rectify the grievous error of its predecessor: it must **reclaim for the people** the benefits which by right belong to them, and which are the natural result of the onward march of human progress.

As the distribution of wealth is that fateful rock upon which the nations of the world have invariably been wrecked, it is imperative to examine it thoroughly, and the first step should be—to ascertain whether commodities can be produced in very large and constantly increasing quantities, and, if so, then whether they can be so directed as to find their way to the largest possible number of persons, and eventually to the entire population of any country?

MARVELS OF MODERN PRODUCTION

The mission of industrial inventions is to make production easier and the things produced plentiful and accessible to the people at large. The first of these aims has been attained to perfection: the things we need are produced with almost incredible ease. For instance, a shoemaker requires one hour to sew soles by hand; with the help of a McKay sewing machine he can do it in one minute, sewing in a single operation through the outsole, insole and upper. This part of shoemaking has thus been rendered **sixty times easier** than it was heretofore. Are our shoes sixty times cheaper?

Adam Smith was lost in admiration at the progress in the pin-making industry of his time, when one

workman could make five thousand pins a day. At the present time one workman, attending twelve automatic machines, turns out a million pins a day. The art of pin-making has been made **two hundred times more effective.**

Our grandmothers' knitting needles were working overtime producing one pair of stockings a week. To-day one person's labor of eight minutes on a knitting machine completes a pair. This is **two hundred and fifty times** as fast as with the knitting needles wielded by hand. Are our stockings 250 times cheaper than they were before?

Leather used to be tanned by being first soaked in a weak solution of hemlock for a week; then in pits of a stronger solution for six weeks; then in "lay-aways" for another six weeks; and so on, until it took, in all, **six months** to make good leather. To-day, with the help of chemicals, even the thickest hide can be tanned **in three hours!** A wonderful progress! The leather tanning is **four hundred times easier** than it was before. Surely the leather we purchase now is not 400 times cheaper than it was before.

A yard of the finest Brussels or velvet carpet comes out of the power loom **every ten minutes!**

With the help of modern machinery, **nine minutes' work** of one man produces a bushel of wheat, from plowing to harvest!

It would be tedious to recount all the marvels of modern production. The few instances quoted are sufficient for our purpose of demonstrating the great

facility and immense reduction in the cost of modern production. All commodities affected,—and what are not affected?—are being produced at least one hundred times easier than half a century ago, and, naturally, their cost of production is correspondingly smaller.

PRODUCTION CHEAPER—PRICES ARTIFICIALLY HIGHER

Commodities so easily produced should be as plentiful as the leaves on trees, or the sand on the beach, or even air itself; for they can be produced in limitless quantities and at a trifling cost. Is it not natural to suppose that they should be accessible to everybody and sold at prices so low that even the humblest would be able to acquire and enjoy them? Such should be the natural result of the progress in the methods of production.

It is incredible, yet true, that actually the reverse condition is observable all around us. Those very commodities which are so easily and cheaply produced are very expensive and practically scarce; the majority of the people are in constant need of them, while a great many, owing to almost prohibitive prices, are compelled to get along without them.

Instead of the gradual cheapening of the goods, thanks to the advance of civilization and centralization of industries; instead of the comforts and even luxuries becoming the common property of all the

people—the comforts and pleasures of life are growing inaccessible for the majority of the people, who have to deny themselves even proper nourishment and clothing, owing to the prevalent high prices.

Millions of Americans are no better off than was Tantalus, who, with an abundance of food and water around him, was slowly perishing from hunger and thirst!

In the recent Report of the Department of Commerce and Labor, where the prices of 257 commodities were taken into consideration, the **present cost of living** has been found to be the highest ever known in the history of this country. It is still rising, and to-day it is **sixty-five per cent.** higher than it was seventeen years ago.

How can such contradictory phenomena be reconciled? A great reduction in the cost of production and the equally great increase in the prices of things produced? A grave riddle, indeed. It must have a better solution than the puerile prattle about the abundance of gold production, the extravagance of the people (on \$9 a week!), etc.

It would be absurd to assume that the goods have **naturally** advanced in price in spite of the marvellous decrease in the cost of their production. And, as the progress is observed in every branch of production,—from raising an ear of corn to building a battleship,—the **present high prices** cannot be explained by natural causes: they have been brought about **ARTIFICIALLY!**

The factor that is instrumental in such an artificial raising of the prices of commodities; that is guilty of the perversion of the natural order of things; that has deprived the majority of the American people of their indisputable right to participate in the benefits derived from the progress in labor-saving machinery—is indeed inimical to the welfare of the people.

A REACTIONARY FORCE STOPS PROGRESS OF CIVILIZATION

Naturally, progress in the methods of production must result in a cheapening of the prices of everything, and in the consequent spreading of more and more comfort among the mass of the people. The mission of progress can be nothing else. Its aim should be to bring the **full enjoyment of life** to an ever larger and larger number of men until it reaches at last all the people, without a single exception. Such must be the mission of civilization and progress; **otherwise our boasted civilization is a fraud and a mockery!**

But it is in the power of a certain reactionary force to sidetrack the onward march of progress so as to make it drift from the many to the few. Obviously it has done so in the United States of America; it has effectually and almost completely diverted from the majority of the American people the immense benefits and profits resulting from the invention of innumerable labor-saving devices.

To so deprive many millions of persons of the fruits of civilization, of a comfortable life and freedom from care to which civilization unquestionably entitles them, and to plunge them, instead, into an abyss of continuous struggle with poverty and misery, is certainly a grave trespass upon the rights and well-being of the people.

We shall see who is THE TRESPASSER.

AMERICANS ARE PAYING MILLIONS IN TRIBUTE

When the arrogant Directory of France refused to receive American ambassadors unless the United States promised to pay a tribute of a quarter of a million of dollars, the leader of the would-be ambassadors, Charles C. Pinkney, gave this memorable reply: "Millions for defense, but not a cent for tribute." The rejected ambassadors left France, and the haughty Directory had ample leisure for pondering over the spirited rejoinder of the freedom-loving citizens.

This happened a little over a hundred years ago. Yet what a sad change has been wrought over this land in such a comparatively short period of time! How deeply grieved the patriot Pinkney would have been could he have foreseen that his beloved country would so soon become the easy prey of an artful foe, who would successfully exact from the American people a much heavier tribute than a paltry quarter of a million, in

fact, countless millions of dollars, and would collect that tribute over and over again in the shape of a direct taxation on the very necessities of life.

The early history of our country is repeating itself. Once more a "taxation without representation" is taking place, and is being levied in the same manner as of yore,—by a superior force. But, unlike olden times, we are to all appearances quite indifferent to the fact. We do not even clearly realize that such a taxation is taking place. Although very far from being comfortable, we are unconscious of the primary cause of our discomfort: we do not perceive the baneful influence exercised upon our social well-being by the all-powerful enemy who is taxing us so unmercifully.

WHO IS THE ENEMY?

Our forefathers were peremptorily ordered to pay a certain tribute to His Majesty the King of England and his royal nobility. They refused to do so, and, upon repeated attempts to enforce the payments, they rose in their wrath and gave the Boston tea party, followed by the battles of Lexington, Bunker Hill, and other manifestations of their angry protest.

It was comparatively easy for the American pioneers in the cause of freedom to assume the disguise of savages and throw the tea overboard, for there was the culpable tea to be disposed of. Similarly, it was a patriotic yet an obvious task to gather minute men

and fight the redcoats: for there were the redcoats in person to be shot at.

To-day it is quite different. Nothing to throw overboard; no one to shoot at. **The enemy is not in sight.** We only guess that there must be an enemy, for we feel the results of his machinations. But the crafty one is hiding himself so skilfully that whatever is seen of him appears as indistinct and unassailable as a phantom.

To-day we are not ordered to pay any tribute. Far from it; we are suavely led to believe that we are paying tribute to no one; at the same time **we are quietly made to pay it**, having been gradually reduced to a condition in which, in order to maintain our physical existence, we **must pay** a perpetual tribute, in high prices, to a number of our industrial "majesties."

Thus it has come to pass that, being lulled into a belief that we are paying no tribute, we arise neither in wrath nor otherwise, but simply keep on paying and paying.

CEASELESS FLOW OF TRIBUTE TO MONOPOLISTS

The second decade of the twentieth century is witnessing a spectacle of which we, as self-governed people, can hardly feel proud: a hundred millions of intelligent persons are ensnared and cajoled into paying a heavy tribute to a handful of clever monopolists. True, the people grumble and argue and fume; but pay they must, and pay they surely do.

At the expense of the hard-earned wages; at the sacrifice of the welfare and comfort of wives and children; in hard times and in good times; they are continually paying the arbitrary taxes and filling to repletion the purses of their industrial masters.

The tribute proposed by France or the tea tax demanded by George III were mere trifles in comparison with the burdens under which the American people are groaning to-day.

From the cradle and to the grave; from babyhood to old age—American children, women and men are paying a ceaseless tribute to the autocratic unlimited owners of American industries. An infant in its first food pays its first pennies to the milk, cracker and other monopolists and trusts; its mother, to sustain the strength so needed in her motherhood, must pay a heavy tribute to the beef, sugar, coffee, cold-storage, and various other trusts; while its father is compelled to pay the heaviest share of all in tribute to the leather, coal, oil, tobacco, and other monopolies too numerous to mention.

Should any of the family travel, a tribute is levied on them by the railroad, Pullman Car, express, and other "road agents"; should they seek amusement, the tribute goes to the theatrical, race track, and other monopolies; and so on ad infinitum. At last, when grim death has overtaken a tribute-payer, his mortal remains have to make the final, post-mortem tribute payment to the coffin, nail and cemetery monopolies.

A sheep is fleeced but once a year; the American

lamb is shorn daily, all the year around, even unto death.

TRUSTS ARE ADVANCE GUARDS OF CIVILIZATION

American people, actuated by the seldom erring instinct of a multitude, designate their invisible foe and tribute-taker under the general name of "Trusts."

Trusts are combinations of large industrial bodies, dealing in the same kind of commodities, and possessing largely the control of the markets, of the output, prices, etc. Yet, if properly directed, they are far from being objectionable. In fact, they are designed to be highly beneficial to the people at large. To abolish them would be equivalent to taking a step backward on the path of civilization.

Strange as it may seem to those who are so deeply incensed against them, trusts are meant to be,—and under natural conditions would have been,—the ADVANCE GUARDS OF CIVILIZATION. They can be made extremely beneficial agents under civilization's command.

The most economic processes of production and distribution and the almost entire elimination of harmful waste were made possible only by application of a practical principle of combination. This principle is perfected in the trusts and is often indispensable for lessening the cost of production and for a consequent spread of prosperity among the people.

The odium attached to the word "trusts," which makes them hateful to the popular mind, is not due to the fact that they are perfected combinations, but to the exercise of the great monopoly power to the detriment of the people, instead of to their advantage.

It is not the nature of combinations, or the union of combinations called "trusts," that is objectionable; but the force which guides them to do evil instead of good.

THE SOULS OF TRUSTS ARE GUILTY

It is curious to note that, although much has been said about this trust question, and all possible pros and contras were advanced, the most essential part of the whole has ever been passed unnoticed, namely, that trusts are only convenient instruments in the hands of those eminently gifted individuals who own and direct them; who may, with reason, be considered as THE SOULS OF TRUSTS; and who, however unconsciously or unwittingly, are the prime movers of all the evil perpetrated by modern trusts.

Trusts have, as a rule, only a few influential stockholders. Although in some cases, when the popular game of "watering" the stock had been resorted to, a number of persons were "taken in," but they are hardly more important than if they were a set of wooden dummies. The complete control and mastery of the affairs of trusts rests, without exception, with a very few, at most a dozen, of the principal stock-

holders whose holdings often run into many millions of dollars. These are the dominating spirits, the real lords of industries, who wield the dangerous power of private monopoly at their discretion and direct the energies of trusts to good or evil, as they choose.

These industrial leaders, the Kings of Wealth, with all their undeniable talents and often genius, are, unfortunately for the people, actuated in their actions not by the desire to serve the public good, but by the seemingly incurable mania of self-aggrandizement. Spurred by it, they pervert the noble and beneficent mission of combinations and trusts,—to serve the people,—into the petty and ignoble aim of **serving the few and enriching them at the expense of the people.**

It is important to bear this in mind, as it is the key to the deplorable condition of the modern industrial world.

MONOPOLISTIC SHAREHOLDING ILLUSTRATED

The "Big Six," as the beef trust is called in the official Report of the Commissioner on Corporations, consists of Armour & Co., Swift & Co., Cudahy Co., National Packing Co., and two others. The Commissioner says: "They are the only shippers of dressed beef in America, the **private monopoly** in this line being complete." The stock ownership in the Armour & Co., as given in the report, is very simple: J. Ogden Armour and his family **OWN ALL THE**

STOCK. It is the principal company of the now notorious "Beef Trust." In addition to this, the Armours own outright, or completely control, a number of other concerns comprising the combination.

The National Packing Company is owned by **three families**, in the following ratio: The Armours, 46% of the stock; the Swifts, 42%, and the Morrisises, 12%.

The number of stockholders in the Cudahy Company, as reported to the State of Kansas, consists of **eight persons**. As the capitalization of the company is (un-watered) eight millions of dollars, an average shareholding in this branch of the beef trust is one million for each of the eight owners.

The Commissioner concludes with this remark: "The stock of all these companies is very closely held, the principal stockholders being members of respective families, except for a small amount of scattered stock."

Thus, the beef industry of these United States is a FAMILY AFFAIR of Armours, Swifts, Morrisises, and a few others.

Is it any wonder that the price of meat for our consumption is soaring sky high? It is "fixed" for us by an all-powerful "family."

TOBACCO, RAILROAD AND STEEL KINGS

In the Report of the Commissioner of Corporations on the Tobacco Industry we find: The American Tobacco Company stands in a controlling position over

the entire tobacco combination (tobacco trust), with its eighty-six companies. The control of the American Tobacco Company itself rests in the hands of a very few persons: ten largest stockholders hold together sixty per cent. of the entire capitalization. These "**Big Ten**" are "dominating the entire combination." Then the Commissioner gives the familiar names of ten autocrats of the tobacco industry of the American people: J. B. Duke, T. F. Ryan, O. H. Payne, and others. He adds: "These ten millionaire stockholders own two hundred and seventy thousand shares, valued at \$135,000,000." A handsome average of thirteen million and a half for each of the owners and rulers of the American tobacco industry. **Again a family affair!**

In regard to the railroads of our country, we learn from another Commissioner, on Interstate Commerce, that "About **one hundred persons** are controlling all the railroads, whose capitalization reaches thirteen billions, and the net earnings, distributed in dividends, exceed two hundred and twenty millions per annum." A nice slice of the national wealth surrendered, unconditionally, to the mercies of the "**Big Hundred**" of the railroad world!

But there are still bigger fish in the American industrial pond. For instance, the steel trust is ruled by "Interests," whose shareholding is immense. A prominent official, interviewed recently upon the subject, said that, in his opinion, individual holdings in the steel combination are not large. "No one man," said

he, "owns in the United States Steel Corporation more than 250,000 shares, worth only \$25,000,000."

Andrew Carnegie held "only" \$50,000,000 worth of shares in his own trust; John D. Rockefeller, the retired, owns "only" \$100,000,000 worth of shares in his giant trust. And there are others.

TRUST OWNERS ARE TWENTIETH CENTURY MACHIAVELLIS

These millionaire stockholders, while managing trusts sometimes personally, at other times through subordinate "captains of industry," are the real rulers of all the important American industries; rulers, not in name, but in fact. They may do anything they please, and they certainly are exercising their right to the utmost. Having once conceded to them the authority, we may not gainsay them.

These industrial barons are wielding all the power that feudal barons ever possessed, except the right of taking our lives directly. They may not with impunity kill us outright. They may, however,—and they certainly do,—take our lives indirectly, by raising to a prohibitive figure the prices of all the necessities of life. At all events, it is within their power to make our lives miserable by creating disastrous panics, hard times, unemployment, etc. In short, the American people are at their mercy. To believe that they can be "controlled" from Washington is a puerile fancy, an obvious absurdity.

The most vivid example of the fearful power of the trust manipulators was given recently by the all-grasping ice trust in the city of New York. It unexpectedly advanced the price of ice, in the middle of summer, by over 100%, making its use practically prohibitive for the poorer population of the most congested districts of the city. The action of this veritable Herod of the twentieth century has slain at one stroke many thousands of innocent infants. But, as the slaughter was done indirectly (and legally), the slayer was not outlawed, as in justice he should have been.

All trust owners are not, of course, of this atrocious caliber. They are, as a rule, inoffensive and able business men, abiding by the laws of the land, and only exercising freely the rights and privileges conferred upon them by the people of this free republic. Unfortunately, being possessed by an almost insane mania of accumulating wealth, they hesitate at nothing. According to their Machiavellian creed, "the end justifies the means." Their refinement, their qualities as gentlemen are set aside, and in their scramble for "more wealth" they stoop to bribery, conspiracy, rebating, corruption of officials, perjury, savage cruelty toward competitors, and other nefarious means. They are, indeed, the twentieth century Machiavellis, striving to acquire riches by fair means if possible, by foul if necessary.

This mania of self-aggrandizement has prompted them at last to do their very worst. Forgetting all

caution, and oblivious to the dictates of humanity and even of common decency, they have launched into a heartless and brazen campaign of still further enriching themselves at the expense of the American people, by impudent **stock-watering** (which is nothing but a theft by wholesale in a legal disguise), and, worst of all, by **arbitrarily raising the prices of almost all the necessities of life.**

Who else may be held responsible for the misdeeds of the trusts, but their helmsmen, the millionaire stockholders? The trusts themselves, mere passive tools in clever hands, cannot be blamed for the doings of their mighty rulers. And it would be senseless to demand that trusts be abolished because their rulers are misdirecting them. A steamer is not put out of commission because its captain is found to be a wicked man; the principle at the foundation of a savings bank is not abandoned because a bank president is proven to be a defaulter. There is no better reason for rejecting the principle of combination than in the cited instances of steam locomotion and a savings bank.

Therefore, our task has narrowed to finding the means of effectually curbing the monomaniacs who own and misdirect the trusts.

Yet, before proceeding further, it is well to inquire whether the trust magnates alone are guilty of the offense of raising the prices of the necessities of life, or perhaps some other factors are also responsible for committing the same offense.

THE REMARKABLE BEEF AUTOCRAT

Perhaps the cattle-raisers and the "greedy" retailers have caused the unwarranted rise in the prices of meat designed for consumption by the American people?

Turning to the official investigations, we find that the cattle-raisers, far from dictating the prices, have themselves complained so persistently of being abused by the great beef packers, who, by "fixing" the prices, allowed them only a mere pittance for their cattle on the hoof,—that the government was forced to thoroughly investigate the matter. Upon said investigation it has been proven conclusively that the profits allowed the cattle-raisers by the packers were so small as to completely exonerate them from the charge of extortion.

As regards the retailing butchers, let them speak for themselves. At a recent meeting of the United Master Butchers' Association the Secretary of the Association, D. J. Haley, said: "The greed of the beef trust surpasses all bounds. With this last increase in the prices of carcasses the price of beef to-day is **the highest ever known**. These constant increases are **LITTLE SHORT OF ROBBERY**." As far as known, Mr. Haley is neither an Anarchist nor Socialist; he is an influential master butcher, and speaks as becomes an outraged American citizen.

But perhaps the trust in question was prompted by the danger of facing a loss in business? Very far

from it. In the latest report of Armour & Co. the net earnings for the last twelvemonth were shown to exceed 35.5% of the total capitalization. The Swift & Co., the next in order of importance, show for the same period a net profit of 13.6% on the capitalization of sixty millions, forty millions of which is pure water.

In spite of such immense profits, bordering on usury, the price of meat for our consumption has steadily increased within the same period of time by over fifty per cent. For this we are obviously indebted to no other cause but the **arbitrary mandate of the beef autocrat.**

To show further that there has not been a shadow of justification for the beef trust to so persistently and vigorously increase the prices of meat, it is sufficient to take a look at the export figures of American beef. The same trust, during the same twelve months, has exported to England alone half a billion pounds of frozen beef. And, what is still more interesting, this exported beef was sold at prices **from 25% to 40% lower than at home.** It is almost unbelievable, yet such is the fact. If it pays to export American beef, and, moreover, to sell it to the foreigner so much cheaper, then **by what right, human or divine, do the impudent monopolists force us to pay, in America, such extortionate prices for our own American beef?**

The latest Census Report shows that within the last 10 years the population of the United States has increased 21%; yet during the same period of time the meat production by the disheartened cattle-raisers

has actually decreased: the number of cattle has decreased by over 3,000,000; sheep, by over 5,000,000, etc. Even hogs are decreased in number, although their selling value to us, the consumers, has increased by over \$100,000,000.

Thus, the more people we have, the less they have to eat and the more to pay for what they do eat,—thanks to the rapacious beef autocrat.

Is it not obvious that the cattle-raisers, who receive but a small allowance from the trust for their cattle on the hoof; the retailing tradesmen and butchers, who are steadily driven out of business and are forced to become the servile tools of the trust; and the “extravagant” consumers, the people, who are compelled to pay arbitrary and exorbitant prices,—much higher than foreigners do,—for what they must purchase;—all are unmercifully fleeced by this “family affair,” the twentieth century wonder, the remarkable Beef Autocrat.

If still further proofs of the high-handed methods of the beef trust are necessary, the reader will find them in the quoted report. Suffice it to state here that it was proven by oral and documentary evidence that the heads of various corporations, comprising the trust, “held weekly secret meetings, at which they arbitrarily fixed the prices of beef, to suit themselves” and “checked off competition by means of gentlemen’s (?) agreements.”

At the time of writing these lines this remarkably easy process of “fixing the prices” of one of the prime

necessities of life,—the principal food of the American people,—by the trust magnates, “to suit themselves,” has not by any means ceased, in defiance of scathing official denunciations and public indignation; and, if anything, it is on the increase.

COLD STORAGE TRUST CORNERING PERISHABLE FOOD

Perhaps our farmer producer is greedy and causes the high cost of living by exacting arbitrary prices for his products?

In order to answer this question we must make a closer acquaintance with the latest arrival in trustdom,—the Cold Storage Trust.

There are in the United States over 800 cold-storage warehouses, the business of storing food having proved highly lucrative. It is needless to say that all have been taken in by a giant combine, which has absolute power over this nation’s supply of the so-called “perishable” foods such as beef, butter, eggs, poultry, fruit, vegetables, etc.

The emissaries of this private monopoly scour the country during the summer months, buying in at the lowest prices possible all the butter, eggs, poultry, etc., and storing them for future use. Later on, this trust, emulating the example of Joseph of Egypt, disposes of its stored wealth at prices advanced some two or three hundred per cent.

In this manner the ingenious cold-storage device,

meant to benefit the people, is made to serve a private monopoly. The cold-storage manipulators grow immensely rich, while the people can no longer obtain cheaply, even in summer, such food as butter, eggs, etc., because the trust "corners" all perishable food. And when winter arrives the people are expected, as a matter of course, to pay "fancy" prices for supposedly "fancy" butter, eggs, etc.

More than one hundred and twenty-five millions of pounds of butter alone is stored by this particular trust during the summer months. The obvious result of such a wholesale "cornering" of butter became manifest of late, as we are compelled to pay for butter in the midst of summer the prices we used to pay only in midwinter.

The newcomer is encouraged by the unsavory example of its elder brethren, notably by the all-powerful beef trust; and the older this newest "infant industry" grows, the more rapacious it becomes. And the end is not yet in sight. Designed to be of inestimable benefit to the American people, it shows already a fair promise of speedily developing into a mighty fiend among fiends.

PRIVATE REFRIGERATING CAR MONOPOLY

In its questionable transactions the cold-storage monopoly has an efficient and faithful ally in a private refrigerating car trust. This institution is so thoroughly un-American as to require a word of ex-

planation as regards its position in the industrial world.

There are in use in this country one hundred and fifty thousand private refrigerating cars, which are chiefly the private property of the all-powerful beef trust, but are cheerfully loaned to the allies, for a consideration, as the occasion may arise. These private cars are operated on equally "private" lines; but they are always made welcome by and given the right of way on any railroad in the United States. The "special rates" granted to these cars are so low that their owners naturally have an immense advantage over the common shippers, who have to pay common freight rates.

The legal status of this private car institution is only winked at: for some reason it does not appear expedient to have them declared illegal. However, the Interstate Commerce Commissioner has this to say about them: "The gross favoritism and discrimination, arising from the use and operation of the private car lines, have caused wide complaint and have created an earnest demand for legislation to correct such evil." But the "evil" has not been corrected as yet.

With the help of this semi-legal institution, the cold-storage trust has the practical monopoly of dealing in all kinds of food, from a California strawberry to a Texas steer. All the fruit we eat, whether it grows in Oregon or Georgia, Southern California or Northern Maine, comes to us in "private refrigerating

cars." All the turkeys, poultry, eggs, apples, etc., come the same way. In short, the monopoly is complete and far-reaching. The results are obvious. **The farmer has to abide by what the trust will allow him for his produce.** His orchard may be overladen with fruit, but the abundant crop will surely rot unless he consents to the trust's own prices. For he has no "private" cars for shipping and the common freight rates are too high for shipping at profit.

The special prices "fixed" for the farmer by the trust are so low that orchard after orchard is abandoned and the formerly prosperous orchardist migrates to the city to swell the ranks of the unemployed. Meanwhile the people are paying for all perishable food enormously high prices, which are also "fixed" for them by the same trust.

In this way the cold-storage monopoly does what all private monopolies are doing: **It fixes the prices both for the farmer-producer and for the people-consumer.** It exploits both the farmer and the consumer. **It kills two birds with one stone.**

BUTTER AND EGG BOARD

In order to squeeze the farmer thoroughly, yet with some display of commercial decency, the cold-storage monopoly is keeping on pay a servitor known to the people under the name of a Butter and Egg Board of Chicago. The principal duty of this commercial "fakir" is to issue throughout the country districts extremely low quotations, designed **for the farmer, not**

the consumer. Without such "fixed" quotations the emissaries of the monopoly might have found farmers unprepared to part with the products of their hard toil for a mere song; with the help of the bogus quotations the process of squeezing goes on smoothly and uninterruptedly.

The practices of this accommodating board became so audacious that some of the farmers unravelled the fraud, and the Government was compelled to step in and take the matter into the courts, where it rests at the present time. What will be the result remains to be seen.

As the logical outcome of the machinations of this monopoly in perishable food, the conditions at the present time are both abnormal and highly injurious to the comfort and welfare of the American people. We find the following striking items recorded in the official reports: "During the last fifteen years potatoes have advanced in price 100%, butter 150%, eggs 200%, and so on."

Thus the farmer may also be exonerated from the accusation of charging extortionate prices for the goods produced by him. On the other hand, the cold-storage monopoly and its allies stand guilty of squeezing both the farmer and the consumer.

MILK TRUST TAXING AMERICAN BABIES

Another false servant of the American people, the Milk Trust, owning a cold-storage of its own, has made several advances in the price of milk lately, and

evidently liked the process so well that, when the beef, cold-storage and other trusts declared a crusade against the people's pocketbook, it joined in the game with a will, and raised the price of milk to the top notch. But the "unreasonable" people did not like it, milk being an article almost indispensable even in the humblest households. They instituted such a loud protest that the government had to take notice. The Attorney-General of the State of New York has taken the matter into the Supreme Court, and has succeeded in proving that the transgressor is "controlling over 80% of the supply of milk, having practically a monopoly, 'fixing' the extremely low prices to be paid to the farmer, and correspondingly high prices to be exacted from the consumer. . . . The advance in price of milk was made solely for providing larger dividends for individuals at the expense of the consumers."

An official investigation of the books of this trust has revealed the following facts: Of the twenty-five millions of capitalization of the principal company of the trust, fifteen millions were issued in compensation for good will, trade marks, etc.; in other words, they are water, pure and simple. The net earnings for the year ending September 30, 1913, were two million six hundred thousand dollars, making a handsome profit of 28 per cent. In spite of such fine earnings, the trust has since advanced the price of milk for the consumer by fifteen per cent.!

This trust has also established an auxiliary institu-

PRICES DOUBLED AND TREBLED BY THE TRUSTS

By similar methods and in like manner numerous trusts, which have sprung into existence within the last few years, are taxing the people without mercy. Their "little short of robbery" tactics have been crowned with complete success. A biased Congress gave them a whitewash immunity bath, learned scientists having proclaimed them only partially guilty, laying the chief blame for high prices on the supposititious abundance of gold and other "scientific" causes. Meanwhile, the prices have been steadily going up and up to such a surprising degree that where formerly we paid one dollar to-day we are compelled to pay two or three dollars. For instance, we used to pay for a keg of wire nails \$1.35, but, with the advent of a nail trust, the price went up to \$3.60; barb-wire has advanced, per 100 lbs., from \$1.65 to \$4.25; tin plate, per box, from \$2.80 to \$4.85; window glass, per box, from \$1.75 to \$5.00; and so on. On the average the prices of all these "protected" trust commodities **have increased by 175 per cent.**

Seventeen years ago the American people, led by the famous Mark Hanna and other trust organizers, indulged in a triumphant refrain: "When November comes around no 50-cent dollar will be found." Seventeen Novembers have since arrived and passed, and behold—a **forty-cent dollar has been found.** As the prices have advanced by over 60 per cent., the pur-

chasing value of a dollar is to-day only 40 cents, in comparison with what it was seventeen years ago.

An excellent explanation of the source of some of the advances in prices is presented by a bit of interesting information, freely circulated some time ago. It was reported that the powerful steel "interests," while forming a huge combine, bought off a competitor, Vulcan Mills, by agreeing to pay annually a quarter of a million of dollars for not making steel rails. An interesting bargain, whose sequel is obvious. In order to be able to pay annually that quarter of a million the steel trust had to resort to an extra-liberal "fixing" of the prices, so that the consumer would foot up the bill and also enable the trust to make a handsome profit on the transaction.

MODERN HOLOCAUST OF COFFEE

The means by which some of the trusts are achieving their ends are highly original, to say the least. In this connection the most striking instance was presented recently by a truly astonishing coffee deal consummated in Brazil.

Coffee, a favorite beverage of the American people, became so cheap, owing to a great demand for it, that the coffee interests took alarm lest their dividends might decrease. They put their heads together and concocted a scheme the like of which had never been witnessed in this world of ours. They succeeded in entangling the largest of the coffee-producing States

of Brazil, the State of San Paulo, into a coffee loan of \$75,000,000. Once the victim was financially entrapped the rest became easy. Burdened with a heavy bonded obligation, the government of San Paulo **had to agree** with the coffee interests to **limit the export of coffee** to the United States to ten million bags a year. Of course, the price of coffee in the United States immediately went up, and is as high as it possibly could be.

Some of the coffee planters, who had not been consulted in regard to this deal, advanced very vigorous objections. To pacify them the government decided, upon another consultation with their bonded masters, to choose a lesser evil, namely, to purchase from the planters their total output, and then—**TO BURN ALL COFFEE IN EXCESS OF THE STIPULATED 10,000,000 BAGS.**

By this now famous scheme, called a valorization trick, Arbuckle and his associate coffee barons succeeded not only in dictating to an independent state (which, in itself, shows the marvelous power of a private monopoly), but also actually **LIMITED THE INDUSTRY OF ONE COUNTRY, IN ORDER TO CREATE A SCARCITY OF COFFEE IN THE OTHER COUNTRY.** Will Uncle Sam slumber peacefully much longer?

Our fellow-sufferer, the Brazilian coffee planter, is thus graciously permitted to continue his plantation labors, but he has the humiliation of eventually witnessing the wanton destruction of the coffee which he

had raised, picked and carried to the seaport, for no better a purpose than to go up in smoke.

Commenting upon this surprising deal, the "London Economist," a highly respectable publication, says: "The scheme is about as sound as the breaking of the plate glass in the interest of the glaziers. To spend labor and capital in the production of food, and then to make a holocaust of the gathered food, is too childish for real criticism."

"Childish" is not an adequate word to designate such high-handed practices of defying bountiful crops and artificially raising the price on the people's favorite beverage. "Criminal" is a much more appropriate word, for the results are self-evident: **decreased comfort for the poorer portion of our population and the increased tribute payment** for those who are, as yet, able to pay the high prices. Your grocer is charging you from 25 to 60 cents for a pound of coffee, which, had the "smart" trick of the coffee trust miscarried, would have cost you only 15 cents a pound, or less.

MONOPOLIZED RAILROADS ALLIES OF TRUSTS

It would be tiresome, indeed, to recount the misdeeds of all the trusts, for their methods are similar. We have not inquired into the shady doings of the starch trust, the Standard Oil, nor of that thieving cheat, the Sugar Trust; and we shall leave them alone. But the picture of spoils and depredations would have

been incomplete had we omitted the railroad magnates, for they are playing a highly important part in creating the high cost of living for the American people.

There is scarcely an industry of such vital importance as railway public carriers. Railroads are likened, with excellent reason, to the arteries of a human body; for, with their help, the life blood of the nation is carried to all parts, no matter how distant, wherever and whenever it is needed. Should the railroads become out of order, or indulge in "crooked" practices, the life of the nation would be immediately crippled. As the principal means for communication and transportation, the railroads are of the utmost import to the people.

The railroad freight and passenger rates are their prices. An increase in any of them affects at once everything else in our social life. For instance, an increase in a freight rate on apples is bound to immediately raise the market price of apples. Should the freight rates become unreasonably high, the prices of all commodities would become correspondingly high. A monopoly in railroads is the most pernicious of all monopolies, and the most far-reaching.

In this connection the Interstate Commissioner, in his annual report, says: "Competition between our carriers by rail, which so far acted as a check or restraint against unreasonable rates, has been to a great extent suppressed and destroyed. . . . As the result of consolidation of all the railroads into a half a dozen

groups, the shipper has no longer a choice, but must submit to the rates charged, whether reasonable or unreasonable." Here again we find the American people officially declared at the mercy of the monopolists!

The railroads have ever been the staunchest allies of the trusts of all descriptions, especially of the Coal Trust. They have always exhibited open favoritism and rendered all the help in their power to those who were at the head of trusts. Unlawful rebates, special discriminating rates, private cars, etc., were ever the means to cement the alliance. In addition to this it is interesting to note that over 96% of the coal mines in America are owned and controlled by the railroads, who are "fixing" the prices for the consumer at from \$6 to \$7 per ton, against about \$3.50, the cost of mining and transportation. An annual tribute of from one to two hundred million dollars is exacted from the American people by this coal-railroad monopoly alone!

Thus the "unreasonable" rates which our farmers and other common shippers "have to submit to" are steadily forcing them out of business, while the Coal-Railroad Kings are growing richer and richer, so that their wealth is no longer counted by mere millions, but by tens of millions.

Oh, how prosperous we are!

DRY GOODS TRUST DENOUNCING ITS BRETHREN

In conclusion we shall call to the stand an entirely unprejudiced witness, the Wholesale Dry Goods Association, a newly organized trust. It comprises in the city of New York alone 132 wholesalers and retailers, and is affiliated with more than twenty-eight thousand dry goods merchants throughout the country.

The chairman of the association, Frederick B. Shipley, said recently: "The control of the cotton textiles of the entire country is in the hands of the manufacturers (Cotton Trust), who are able to 'fix' arbitrarily the prices not only for the wholesalers and retailers, but even for the importers. It means that the **American people have to pay at least one-third more for their own cotton goods than is paid for them in Europe.** When I tell you that this country uses annually cotton goods to the amount of one and one-half billion of dollars, you will readily see what this excess price means, and that **manufacturers are rapidly growing rich at the expense of the American people, —at the expense of poor men.**"

"While the cotton is grown, spun and woven, and made up in the United States," continues Mr. Shipley, "**Americans at home are paying 33 1/3% more than the purchasers in Europe.** Yet, by reason of improved machinery, we are manufacturing cotton **considerably cheaper** than it is possible abroad. . . . The

wages paid over here do not exceed nine per cent. of the entire cost."

Many thanks, Mr. Shipley.

Thus, from the mouth of "one of them" we have received ample corroboration of the conclusions arrived at in our inquiry. According to this valuable testimony, the trusts are guilty of "fixing arbitrary prices"; of making us pay at home for our own goods "one-third more than is paid in Europe"; of enriching themselves "at the expense of the American people"; and of paying only a pittance to the workmen, being aided by improvements in machinery. A powerful arraignment and delivered with righteous indignation. Coming from such a source, it is doubly valuable.

INDUSTRIAL MILLIONAIRISM IS UNDESIRABLE

We have seen that with the invention of innumerable labor-saving devices, and with the adoption of production and distribution on a large scale, the goods produced and distributed should naturally be much cheaper and most accessible to the "greatest number" of persons, spreading real prosperity among the American people.

We have seen that such natural and beneficial effects of the progress of civilization are not in evidence to-day mainly because some reactionary force has deprived the American people of such benefits, having arbitrarily and unnaturally limited production by forcing down the prices to be paid to the farmer-producer

and raising up the prices to be exacted from the people-consumers,—especially on the necessities of life.

We have seen that everything points to the trusts as the reactionary force in question; that trusts themselves, as large combinations of capital, are a progressive force, and would have been of inestimable benefit to the people had they been properly guided. They would certainly have been the means of **reducing** the prices for consumers, and not **increasing** them. They would have been real advance guards of civilization if only they were directed to do good, not evil.

We have also seen that the guiding spirits of trusts, the millionaire shareholders and practical owners, are guilty of misdirecting the latent energies of trusts for good and turning them to evil. These "souls" of trusts are prompted almost exclusively by nothing better than selfish motives of self-aggrandizement, and seeking the attainment of their ends, like Machiavelli of old, by any means within reach, whether fair or foul.

Step by step we have arrived at a point where a logical conclusion forces itself upon us.

Whereas a reactionary force retards the progress of civilization, depriving the people of its benefits, and

Whereas, the millionaire shareholders, the owners of trusts, are the prime movers of the said reactionary force,

Therefore, it is plain that said directors of the reactionary force are undesirable and should be divested of their power for evil. The Special Privilege of

Monopoly should be withdrawn from them, for it rightfully belongs only to the people as a whole, and was conferred upon private individuals most unwisely.

The history of the last fifty years has clearly demonstrated that, as long as individuals are permitted to acquire and own unlimited interests in any industry, they will eventually own the industries themselves, and will run them "to suit themselves," while the people will be deprived of any voice in the matter; industrial kings will become their "bosses" and the people their servants, either as dependent "employees," or as humble customers and tribute-payers.

Millionaire stockholders, trust rulers, monopolists and dictators of prices on the necessities of the people; despots who "limit" production and drive the farmer-producer out of business by denying him his legitimate profits; who create an artificial scarcity of food for the people that they may tax them the harder; who retard the onward progress of civilization, and, instead of spreading comfort and ease, spread broadcast misery and destitution; such millionaires are an anomaly in human society, and such millionaires' legal extinction should "devoutly be wished for"; for such millionaires there is no room in a land of free people, in a democratic republic; from such millionaires we can never be delivered too soon!

Can anything but a direct law limiting "private possessions" dispose of such millionaires, forever and evermore?

CHAPTER V

Unemployment—Question of Life or Death for
MillionsUNEMPLOYMENT IS UNKNOWN AMONG
ANIMALS AND SAVAGES

The question of unemployment does not exist in the animal kingdom. The birds have no difficulty in finding the seeds and berries necessary for their sustenance; the grazing animals find grass in abundance; the bears, plenty of honey; and the lions, their prey to feast upon. There the lack of means for maintaining existence, unemployment, is a myth. The personal exertions of any animal, as a rule, are speedily rewarded by the attainment of the desired results,—food and shelter. The animal kingdom has no beggars or paupers; neither has it grab-it-all monsters. These are found only in the human kingdom, where they flourish amidst congenial surroundings.

A savage, in a state of primitive simplicity, leads a life of ease and freedom. He indulges in pleasurable hunting, warring, and other similar pastimes and recreations, which are, at the same time, furnishing him with the means for existence. His squaw and children cook his food, dress the skins of slain animals, make garments and moccasins; while he, during his days of leisure, fashions his arms and some tools. Together they rear up their unpretentious wigwams for resi-

dence and business. In short, everyone has some employment, suitable for his age and strength. Such a primitive life is certainly devoid of many comforts, as the limited wealth of savages consists only of scanty clothing, arms, half-wild ponies, and a few other insignificant articles. No stock of provisions is ever laid by for future use, and, therefore, their existence is but precarious. Yet, though insecure, and often uncomfortable, the condition of man in a state of savagery does not present marked inequalities. When the tribe has a prosperous time, owing to a successful hunt or rich spoils from war, everybody shares in the good things, and no one suffers for lack of food, shelter or clothing. During hard times, hardships are shared by all. But prosperity on top and poverty below, luxury for the few and unemployment and misery for the many, are unknown among savages.

CAPITAL AND LABOR—UNNATURAL TWINS

Flock-tending and agriculture, in the next stage of development, are favorable for the accumulation of private property in the possession of thrifty individuals. Although personal exertions are still important, the ownership of a shanty and a flock of sheep advances the possessor to the position of a capitalist. As such, he is at liberty to indulge in a life of comparative ease and leisure, limiting his personal activities to the management of his estate and to the superintendence over hired "help," which makes its appearance simultaneously with the capitalist.

Capital and labor; employer and help;—come into existence and begin developing at the same time. They are the twins, making their initial bow side by side. But, unlike natural twins, their subsequent growth is not proportionate. In fact, it presents an inverted ratio: while capital grows stronger and fatter, labor becomes correspondingly weaker and leaner.

Opportunities for amassing larger accumulations of private property increase with the advance of civilization, until to-day one may become a veritable nabob, worth many millions of dollars; lead a life of sumptuous luxury heretofore unheard of; boss over and profit by the labor of thousands of now helpless "help"; and, withal, be considered a benefactor of mankind, with about as much justice as a bear appropriating the contents of a beehive may be considered a benefactor of bees.

But to the annoyance of these huge appropriators of the people's wealth, a question of "unemployment" appears on the stage, at first uncertainly, but after a while assuming proportions which draw the attention of everyone. Much to the chagrin of men of wealth, it has risen of late to the dignity of a grave national problem demanding an immediate and satisfactory solution.

The fact is that at the present time, when we have apparently reached the highest state of prosperity and civilization, hundreds of thousands of our fellow-citizens are unable to obtain any work, while millions are employed on part-time only, less than six out

of twelve months. The problem is indeed very grave. It is a question of life or death for a great many of our fellow-men. But the solution is woefully lacking.

CIVILIZATION BEGETS UNEMPLOYMENT

Simultaneous development of capitalism and unemployment is not accidental. It is based upon the nature of private property. It demonstrates that their relation is that of a necessary sequence: one is the cause of the other.

About a hundred years ago the venerable La Fayette, addressing a large open-air meeting in the city of Boston, exclaimed "Where are your poor? In this assembly I see them not. They seem to be found nowhere in America."

How thoroughly contented his hearers must have been! Those were glorious times, and the American people may be justly proud of that period, feeling now a deep regret that it is past and gone. Is it possible that there was a time when poverty was not present in this land? It seems a chimera, a dream; because we are told that poverty is an institution which is to abide with us forever, no matter how prosperous we may become. Perhaps La Fayette was mistaken? Hardly. A hundred years ago the people of the United States were indeed prosperous. They could claim and obtain, for the mere asking, all the land they needed for their homesteads. True, the giant industries were yet in embryo; but, as a matter of consequence, unem-

ployment and poverty did not disgrace this fair land, and could not have been possible in the midst of real plenty accessible to all.

At present, with no more land to be had, and with all the important industries in the safe-keeping of a few persons, the majority of Americans have, the same as savages, nothing but their personal services to rely on for securing for themselves the necessities and scant comforts of life. Yet, unlike savages, they have no free prairies to roam over, no deer to slay; nothing except the doubtful privilege of extending an offer of their personal services, in an open industrial market, and receive in exchange an average market existence wage. And, if their services are, as often happens, "not wanted," they have to face that dread problem of unemployment, the disgrace of the twentieth century.

Thus, at the highest point of civilization, the majority of American people, homeless and without any property worth mentioning, ARE WORSE OFF THAN THE SAVAGES OR EVEN DUMB ANIMALS!

Is civilization a cruel mockery? It certainly is more harmful to the American people than the environment of savagery was for the redskins. But, if civilization is not to be blamed, then who or what is that evil factor which forces it to bear such bitter fruit?

Unemployment is the effect; what is its cause? Common sense revolts from impugning civilization itself of being the cause of the evil. Civilization, like the principle of a combination involved in the forma-

tion of trusts, was meant by its nature to be of inestimable benefit to mankind; unfortunately, it was also sidetracked, and made a source of evil instead of good.

Let us try to find the culprit.

PILGRIM FATHERS VANGUARD OF THE UNEMPLOYED

Various theories have been advanced as to the causes of unemployment. The most plausible among them is the theory of "overcrowding."

Unemployment, as a chronic condition of mankind, is quite old. It was in its acute stage as many as 300 years ago, when the Pilgrim Fathers, the vanguard of the army of European unemployed, commenced the exodus of that army to the New World. The following reasons for the emigration of some 900 colonists, given by their leader, John Winthrop, the first Governor of the Massachusetts Bay Colony, are very instructive. They are expressed in the quaint language of olden times and are extremely earnest: "I must tell you, my brethren, that our dear mother finds her family **overcharged**, as she has been forced to deny harbor to her own children. . . . England has grown **weary of her inhabitants**, so that man, who is the most precious of all creatures, is **of less value than a horse or a sheep**. . . . Many of our people have **perished for want of sustenance and employment**; many others **live miserably** and not to the honor of so bountiful a

housekeeper as the Lord of Heaven and Earth is. . . . Mother-country has fulfilled its earnest desire to rid itself of the great bodies of the unemployed people. . . ."

From this valuable testimony we can plainly see that the problem of unemployment was in evidence many years ago, our forefathers having been made victims of this chronic ailment of mankind. For many centuries "great bodies of unemployed people" "live miserably" and many "perish for want of sustenance and employment." As to the cause of such a wretched condition, it is supposed to be, as given by John Winthrop, an "overcharging," or, in other words, overcrowding.

The "overcharging" caused "dear mother to conceive an earnest desire to rid itself of" the Pilgrim Fathers. Yet at that time England did not have one-tenth of the population it supports to-day. It could not have been a natural overcrowding.

While the real reason is not given, it may easily be surmised by taking into consideration the fact that the principal part of the wealth of England consisted then of land, which was (and is even now) almost entirely monopolized: one-half of the kingdom being the private property of less than 8,000 persons; the peers alone, not 600 in number, own one-fourth of the geographical area and one-fifth of the entire wealth of the country!

Under the circumstances it is not at all surprising that many superfluous Englishmen, little relishing the

notion of being considered of less value "than a horse or a sheep," decided rather to brave the hardships and perils of a long sea voyage, and to emigrate to the New World. Obviously, the "overcharging" which had thus driven them away from their homes was not a natural but an artificial phenomenon, similar to that which is causing at the present time the high cost of living, the artificial "over-production," etc.; all of which is brought about by the principle of "unlimited ownership," which causes everywhere anomalous conditions.

ARTIFICIAL OVERCROWDING CAUSES UNEMPLOYMENT

The theory of natural overcrowding cannot as yet be considered as completely exploded. It has been too persistently advanced, and, strange to say, accepted by many persons who should have known better. Even at the time when the redskinned warrior roamed undisturbed over the wide range of the prairies of the Far West, and the immense resources of the New World were hardly touched, some wise heads in Europe announced their grave apprehensions that "the means of subsistence cannot increase as fast as the people," and that all the distress occasioned by unemployment, low wages, etc., is due to a too-rapid increase in numbers of the population of the earth. Therefore, the wise men, with Malthus as their head, issued the sage and benign advice to the people: "to

abstain from further multiplying themselves." The advice was offered in all seriousness. Wonderful to record, quite a number of learned political economists have accepted this remarkable counsel and even embodied it into a deeply scientific theory, named in honor of its chief exponent, the Malthusian Theory. The people, however, refused to take the counsel seriously and never followed the sage precepts of learned theorists.

At the present time, when the unskilled labor of America's sturdy pioneers and their primitive tools have been superseded by a steam plow, a reaping machine, and other ingenious devices, which have increased the food-producing capacity of this nation many hundreds of times,—not sages alone, but the uninitiated as well, may readily see that "the means of subsistence" can be increased almost at will. Thus the Malthusian Theory is nothing but a huge joke. Yet the "overcrowding" theory still clings to us with the tenacity of a leech.

It is estimated that in the present state of advanced methods in agriculture the United States can comfortably support a population of a billion human beings. As regards the supposed "overcrowding," the present density of the population in our country contradicts this theory flatly: our density of population is extremely low, barely twenty persons to a square mile, as against 500 or more in many places of Europe and Asia.

Yet, in spite of all, we are deemed to be already

“overcrowded.” Acting under the stress of such apprehension, our government is already forcibly excluding all emigrants who have not in their possession some cash (presumably a sign of emigrant prosperity). It is done mainly out of fear of admitting new competitors for our supposedly “overcrowded” unemployed and part-employed.

Thus the insignificant density of population and the wonderful progress in improved methods of producing food are proofs that we are very far from being overcrowded; the multitude of the unemployed and the exclusion of emigrants indicate that we are. Only one conclusion can be drawn from such a contradiction: WE ARE NOT NATURALLY OVERCROWDED; ARTIFICIALLY WE ARE.

The powerful force that causes this artificial overcrowding is exactly the same that clogs the wheels of civilization as applied to the principle of industrial combination; that diverts the benefits of labor-saving devices from their natural course; and that maims the American people without mercy.

There is a saying: “All roads lead to Rome.” In this case the various investigations of any and all economic iniquities of the present day lead invariably to the same central source of evil,—the inequitable distribution of wealth caused by the unlimited ownership of a few Kings of Wealth.

DOES MACHINERY CREATE UNEMPLOYMENT?

The tendency to forsake country life, exchanging it for a life in really overcrowded cities, is decried by many. But it seems to be an inevitable course. Dr. A. C. True, of the Department of Agriculture, stated some time ago that within the last twenty years "over two million men gave up farming to join the great army of toilers in the cities, **because they were not needed on the farms any longer.** With the help of improved machinery a small number of men can turn out a greater product to-day than a larger number of laborers could possibly secure in olden times."

This is a "poser" for those benevolent persons whose favorite advice to the city unemployed is "Go into the country." But they are not needed there, says the expert; and he proves it by irrefutable argument of the effect of improved labor-saving devices.

The immediate result of the introduction of labor-saving machinery is that a great many workers are deprived of their customary occupations. Although it is true that new industries are created and give employment to many of those who were deprived of it, yet it appears indisputable that labor-saving machinery is bound to save the labor and make the laborer useless for the time being. It saves the labor for the employer, and thereby it deprives of employment all those whose labor it has helped to save. A few ex-

amples will illustrate the correctness of this assertion.

In a modern tannery, for instance, one can see a "putting out" machine, an ingenious contrivance which presses and scrapes the tanned hides at the rate of 350 dozens a day. **It is attended by one man!**

According to M. G. Mulhall, one American "hand," with mechanical aid, produces as much grain as five European workers. Also **only four "hands" are needed for the production of grain sufficient to supply with flour one thousand persons for one year.**

Edward Atkinson states that **the annual labor of only seven men** is required for the production, transportation, baking and distribution of one thousand barrels of flour in the shape of bread sufficient for the nourishment of one thousand persons for a whole year. (The shade of Malthus must feel very uncomfortable at hearing this.) That **one operator** in a cotton factory makes cloth sufficient for 250 persons; that in a woolen factory **one workman** produces enough goods to clothe 300 persons; in a boot and shoe factory, enough to furnish one thousand men and women with footwear to last a whole year.

The annual labor of only fifteen men is sufficient to supply one thousand persons with all the food, clothing and footwear they may require. Obviously, 985 men out of each 1,000 will find it impossible to get a "job" in the mentioned industries. "They are not needed there."

In the mining industry each and every pneumatic drill has replaced and thrown out of work one dozen

workmen. Twenty-five years ago two men were required for operating an oil well; to-day **sixty wells are operated simultaneously** with the help of a surface rod, a pumping-jack and a gas engine, all of them manipulated **by only six men**. One hundred and fourteen workers were permanently deprived of their work.

In the printing industry one modern newspaper press operated **by five men only** turns out printed matter which would have required the combined labor of 2,500 printers on the old-fashioned Franklin press; 2,495 workers were thrown out of a job.

In box-making a little girl tending a box-making machine **turns out 12,000 berry baskets a day!** All grown-up male workers have evidently been relegated into the ranks of the unemployed.

On the average a private factory owner in America has at his command a power machinery of about 70 h. p., which produces as much as the labor of 700 men would have produced. Who can gainsay that it "does save the labor," or rather the hire of labor, to each and every one of the owners of factories. Deducting a comparatively small outlay for hiring men, women and children (preferably children, on account of cheapness), for the operating and maintenance of that machinery,—the entire product of these 700 dumb laborers goes to the owner as his "labor-saver" and net "profit." Meanwhile, **what are the displaced 690 "living" laborers to do for their living?**

With the continuous and rapid advance of civilization the introduction of new and still more effective

labor-saving devices is bound to throw out of employment thousands upon thousands of workmen, augmenting the ranks of the unemployed to appalling proportions.

INVENTIONS DO NOT BENEFIT MAJORITY OF THE PEOPLE

Does the wonderful progress in invention of new and improved machinery cause unemployment in America? As it is computed that **one man does to-day**, in effectiveness, **the work of fifty men** of half a century ago, the natural question arises, **what shall the remaining forty-nine men do to earn their living?** Even though new industries have since sprung into existence, giving employment to many, thousands are still unemployed; and with new inventions and improvements in labor-saving machinery many more thousands are bound to be thrown out of employment.

The facts prove that, instead of benefiting, the labor-saving machinery has wrought mischief in the world of labor. Surely the presence in our midst of a permanent and ever-increasing host of the unemployed clearly indicates that **the inventions of labor-saving machinery do not benefit the majority of our population.** On the contrary, they drive many thousands of workmen into the desperate condition of "perishing for want of sustenance and employment" and of leading a life of poverty and misery "not to the honor of so bountiful a housekeeper as the Lord of Heaven and Earth is"!

Yet, under ordinary conditions, the high state of technical knowledge and the resulting innumerable labor-saving devices should undoubtedly spread ease and comfort among the people, reducing want to a minimum; should give the people leisure to enjoy life by shortening the hours of toil; should enable all to freely and fully exercise their inalienable right to "life, liberty and pursuit of happiness." Why don't they do it? We shall see.

MACHINES BENEFIT THEIR OWNERS

A hard-working man was Robinson Crusoe prior to finding his labor-saving machine in the person of a submissive savage. "And first I let him know his name should be Friday," says Robinson in his diary. "I likewise taught him to call me 'master.' . . . Never man had a more faithful, loving servant than my man Friday was to me. . . . I was greatly delighted with him, and made it my business to teach him everything that was proper to make him useful, handy and helpful. . . . I set him to work to beating corn out and sifting it in the manner I used to do, and in a little time my man Friday was able to do all the work for me. . . . I began really to love the creature . . . and now my life was so easy that I cared not if I was never to remove from my island."

This labor-saving machine had evidently saved, for its owner, "all the work" and made him perfectly comfortable and contented, and his life "so easy."

Anyone who dwells in a well-furnished house, supplied with the latest improvements, is leading a life of comparative ease and comfort. He hardly requires the presence of a "living help"; he has numerous "inanimate" helpers in dumbwaiters, sewing machine, washing machine, appliances for cooking by gas or electricity, lighting, heating, telephones, hot and cold water, etc. All these real labor-saving devices are actually saving labor for their possessor, and they greatly alleviate for him the drudgery of housekeeping. But, in order to be benefited by them, one must either own them outright or at least be in a position to afford paying a consideration for their use.

The former hardships of toil and long hours of the American farmer have been almost entirely relieved by the invention of such marvels as a steam plow, a reaping machine, a thresher and harvester, and many other ingenious devices in the line of agricultural pursuit. But these machines are expensive, and only comparatively few can afford to purchase and own them. Again, machinery is benefiting its owner or him who can afford to pay for its use.

The same applies to any branch of industry. The following tradition exists in reference to the invention of one of the first important improvements in the effectiveness of a steam engine,—a connecting belt. It is said that the invention was made and for the first time successfully applied by a small boy who, tired of turning by hand for many hours a day the wheel of a secondary machine, as was his duty to do, cleverly

connected his wheel by a piece of leather strop with the large fly wheel of a near-by steam engine, and made the latter do his work. The results of this clever invention were: The owner of the factory was greatly benefited by the invention, and the boy—lost his job! His services were, of course, “no longer required.”

Thus the “well-to-do” owners of houses with “modern improvements,” the owners of well-equipped farms and factories, are enjoying the benefits and profits from labor-saving inventions, while the propertyless laborer is only forced by them into the ranks of the twentieth century “miserables,”—the unemployed.

The very elements of nature,—water, steam, electricity, and the air itself,—have been pressed into service to toil incessantly for their owners. Yes, “owners” is a proper word to apply in this connection. Because water is of small commercial value unless an elaborate plant is owned, transforming it into a water-power; steam is useless if not utilized by complicated and expensive machinery; and electricity is only a source of danger unless subdued, concentrated and rendered highly effective by expensive plants, each of which costs a small fortune. Hundreds of thousands of dollars are often required for the equipment of one of these devices designed for the capture and subjugation of nature’s elements. Once harnessed, however, they respond nobly by performing wonders, benefiting indirectly the people at large, but directly, and too often exclusively, their owners.

The said “owners” are, as a rule, multimillionaires

who cannot help becoming all-powerful monopolists. Yet if but for such wholesale monopolization of most of the labor-saving machines,—and even elements of nature,—the American people would have been really prosperous and the army of the unemployed would certainly be heard of no longer in the domain of “so bountiful a housekeeper as the Lord of Heaven and Earth is.”

MONOPOLIZED MACHINERY IS HARMING THE PEOPLE

While a comparatively insignificant portion of the population of this country owns, possesses and derives direct benefits and pecuniary profits from labor-saving machinery, the great majority of the American people, being wholly deprived of any participation in the profits from industries, and having nothing but their personal services to rely on for the gaining of their livelihood,—are driven, owing to the introduction of new and still more expensive machinery, into the dismal stages of semi-employment, unemployment and utter destitution.

Indeed, if one thousand persons are supplied with necessary footwear by the labor of one cobbler in a shoe factory, and with clothing and food by the labor of only fourteen workmen, then it is self-evident that a great many cobblers, operatives and food producers are of necessity finding that “their services are not required.”

It is also evident that, with still greater improvements in machinery, a smaller and smaller number of laborers will be required. How can then the unemployed earn their living? And, if they are not able to earn it by their "labor," then what is to become of them? Are they superfluous on this planet? It is a frightful condition; a condition savoring of the dark ages, of barbarism. Millions of human beings, owing to the monopolization of labor-saving machinery by a few "specially privileged," are artificially "overcrowded."

It is plain, of course, that civilization and progress have nothing to do with this "artificial overcrowding." The labor-saving machines, being instrumental in producing great wealth, are meant to be a blessing to mankind. But they are turned into a scourge by a hoggish monopolization of them by the few and the complete exclusion of the many.

UNEMPLOYMENT MUST INCREASE ENORMOUSLY

There is hardly any room for doubt that in America, as well as anywhere else where monopoly is on the increase, the number of the unemployed must also proportionately increase, until a stage is reached which is so frightfully illustrated in the examples of China and the East Indies.

When machinery is so improved that the entire work in a factory will consist of the turning of a

handle of some giant machine, a little girl is likely to be hired to do the turning for about \$3 a week. The "owner" will then pocket all the immense profits from this universal labor-saving machine, and the rest of the people will be thrown out of employment for good, their services will be obviously "not wanted."

The case is extreme, but it serves the purpose of an illustration. The tendency of improvements in machinery is to require fewer and fewer workmen to do the work; otherwise their appellation, "labor-saving," is a misnomer.

It also forcibly demonstrates the fearful prospect in store for millions of Americans unless we clearly realize the INADEQUACY OF THE SYSTEM OF WAGE-WORKING. Wages alone are evidently insufficient. THE PEOPLE MUST HAVE A SHARE IN THE PROFITS DERIVED FROM THE USE OF THE LABOR-**SAVING MACHINERY**, for, as indicated above, a time may come when the only remaining wage-worker will be that little girl at \$3 per week!

From the foregoing there is but one strictly logical conclusion: Unlimited ownership by private individuals of great labor-saving devices and machines is a gross injustice to the people and is, therefore, rightly resented by them. Monopolization of the labor-saving machinery being harmful, **they must be reclaimed by the people, and owned by the people and for the people.** But government ownership, advocated by the Socialists, is not the only way to achieve the desired

result. It may, perhaps, become a fact at some distant day. Meanwhile, the proposed law of limited ownership is a practical step in the right direction. It is bound to bring the ownership, and the consequent profit-taking, derived from the labor-saving machines to very large groups of men, such groups as the mutual insurance companies, building and loan associations, etc., consist of at the present time. In such mutual companies millions of persons,—as will be shown in the next chapter,—have been using to mutual advantage the labor-saving devices for a great many years, and have been deriving from them mutually all the benefits and all the profits.

Shall we continue looking languidly and indolently at the rapid growth of private monopoly and at the constantly increasing misery of the countless semi-employed, unemployed, and even starving Americans, while the Socialists are also dreaming a dream or are advocating confiscation, a revolution, etc.; or shall we enact a practical Law of Limited Ownership that is destined to harm no one and benefit everyone? Which shall it be?

But perhaps there is some other remedy for this dangerous condition of unemployment? Let us take a parting glance at what the wise men of different nations have had to say upon the subject, and what lessons have been given us in this respect by the history of mankind.

ROCKEFELLER'S REMEDY FOR UNEMPLOYMENT

"A laborer is worthy of his hire; no less and no more," says John D. Rockefeller. "He must in the long run contribute an equivalent for what he is paid. If he does not do this he is probably pauperized and you at once throw out the balance of things."

What sublime philosophy! Coming from such a source, this serenely calm and eminently cold-blooded exposition of the dread problem of unemployment is very interesting and highly instructive. The venerable Father of Trusts evidently takes for granted that the laborer who finds himself in the ranks of the unemployed is merely unworthy of his hire, owing to his laziness, presumably, to bad habits, morals, etc., or, perhaps, because he is stupid, unruly or in some other way unfit for the performance of the duties stipulated in that hire. Such may be the case in a few exceptional instances. As a rule, however, the implied low standard of morality and intelligence cannot possibly be applied to millions of unemployed or partly employed Americans.

With due respect to Mr. Rockefeller, we are compelled to reject his offhand theory and solution of the vexatious problem of unemployment. It is too shallow; the cause lies much deeper. It has been conclusively proven by official statistics that good or bad habits, fitness or unfitness of American workmen, have

nothing to do with their inability to get employment. THERE IS NO EMPLOYMENT TO BE HAD, no matter how "worthy of their hire" the American workers may be.

NAPOLEONIC SOLUTION OF THE PROBLEM OF UNEMPLOYMENT

History demonstrates that in France, before the Revolution, the best land was monopolized by the clergy and nobility, who successfully appropriated, as their "private" property, about three-fifths of their country. The property of the clergy alone was estimated at a billion of dollars,—immense wealth for those times. The King of France and his satellites, the nobles, had the remainder of the good things, while twenty-eight million of French people had to be contented with what was left for them,—the poorest land, and mighty little of that. Both clergy and nobility were (mark this!) **exempt from taxation!** They did not even have to "swear off" their taxes, as does the American "nobility."

Under such monstrous distributions of wealth (which, by the bye, markedly resembles our own) there naturally were countless hosts of the "unemployed." When the people could stand it no longer they rose and put to the sword both the king and the nobility. But the question of filling the stomachs of the now free yet hungry citizens became the grave problem of the hour. It soon reached such an acute

stage that all the leaders and officials of the newly born Republic lost their heads, both metaphorically and literally. Then the situation became so unbearable that the time was ripe for the genius of Napoleon to come to the rescue. He speedily organized the hungry citizens into invincible armies, and marched them off to conquer their neighbors, and, incidentally, to fill their stomachs at their neighbors' expense. In the common parlance of Wall Street, "he opened foreign markets" for his fellow-citizens.

The Napoleonic solution of the question of unemployment worked like a charm. When he was through with his conquests hundreds of thousands of the formerly unemployed found lasting "employment" by leaving this world forever. Mr. Rockefeller's calm remedy had thus a practical application: they were "thrown out as the balance of things."

DEMAND FOR BREAD AND GAMES BY ROMAN UNEMPLOYED

Looking further back into the history of mankind, we find that in 100 B.C. the enormous concentration of wealth in the possession of a few, and especially the immense landed estates of the Roman nobility, had impoverished the great Roman Empire to such an extent that, out of a population of one million and a half, **only two thousand citizens held any property**, while the remainder became the "unemployed" of the period. The same cause produces the same result everywhere and at all times.

Unlike the American unemployed, who humbly petition for an opportunity to work, their Roman predecessors were quite arrogant, and imperiously demanded "Bread and Games." They were so menacing that the inimitable Nero and other "masters" of the tottering empire were compelled to furnish "artificial employment" for many thousands by causing to be erected (at public expense) various fine buildings, viaducts, etc., and in addition thereto they had to feed multitudes by a free distribution of corn bread, and to entertain them, for several weeks at a time, in immense amphitheaters (one of them, the Colliseum, had a sitting capacity of 100,000) with gladiatorial fights, massacres of Christians, and other equally refined pastimes.

In spite of such endeavors the Roman unemployed naturally grew more and more numerous, until the sturdy barbarians from the north easily conquered the impoverished weaklings and put most of them to the sword. Thus again a drastic measure was applied for the speedy solution of the ever-recurring problem of unemployment, and it was in strict keeping with the recommendations and practice of both Mr. Rockefeller and the great Napoleon!

EGYPTIAN PYRAMID BUILDERS

Should we penetrate into antiquity as far back as 4000 B.C., to the time when the Egyptian Pharaohs held, by virtue of the right divine, the whole Egyptian

land as their own "private property" and were bestowing large slices thereof upon their props, the priests and the warriors, while the "common" people held their land on leases only,—even then the everlasting problem of unemployment was in evidence as plainly as it is observed to-day on Cherry Hill, New York, or Whitechapel, London, or in any other of its modern strongholds.

The wonderful pyramids are grand monuments to the Egyptian method of solving the question of unemployment. Hundreds of thousands of troublesome and idle human beings, including the kinsmen of Joseph, son of Jacob, were kept from mischief for a great many years by being forced to rear up, under the pitiless lash of the overseers, the stupendous edifices designed for the final reception of a mummy of their "owner" and ruler. True, the wretched pyramid builders, unlike the modern "beggars for work," were outright slaves and were chastised with a lash. Yet, on the other hand, they were housed, clothed and fed at the public expense—a consideration not shown to the modern unemployed, unless when admitted to a poorhouse or jail!

SUMMARY OF THE CAUSES AND REMEDY

Summarizing we find that the condition of unemployment is nonexistent among animals and savages; that it appears on the scene simultaneously with the birth of "capitalism," when Employer and Help, as

unnatural twins, make their initial bow, and then grow in an inverted ratio: the fatter the employer, the leaner the help.

We have observed that overcrowding cannot be the cause of unemployment in a country with scarcely twenty persons to a square mile; that the Malthusian theory is a huge joke, whereas the United States alone can support more than a billion people; that the history of mankind shows the presence of unemployment and poverty of the majority of the population whenever and wherever the wealth of a nation became concentrated, and consequently monopolized, in the possession of a few persons; that such a condition existed, particularly in England, at the time when the Pilgrim Fathers emigrated to the New World, and in France just prior to the Revolution; in Rome, preceding its fall; and in Egypt during the pyramid-building period, in 4000 B.C.

We have found that labor-saving devices and machinery, designed to be of inestimable value and benefit to mankind, having been monopolized by a few, are reaping for their "owners" immense profits, at the same time driving the impecunious workers out of employment, at first temporarily and then permanently; that these valuable labor-saving devices, although constituting the most important part of the national wealth, became undoubtedly the absolute "private property" of a very few persons.

We have seen that about a hundred years ago, upon the testimony of La Fayette, our country was con-

spicuous by the total absence of the unemployed poor; and we know, from sad experience, that it is teeming to-day with many signs of indigence; that it permanently contains a standing army of over fifty thousand tramps and a million or more of unemployed; and we have seen that a large army of the unemployed was always formed at a time when the wealth of a nation had become monopolized, as the "private property" of the few, be it in Egypt, Rome, France or America.

We found that the vexing question of unemployment, in spite of Mr. Rockefeller's assertion, is not caused by unfitness or the low morality of workers; and especially such causes cannot be applied in the United States, where the partly employed and totally unemployed workers cannot be accused of possessing such disqualifications.

We found that the same cause produced the same results, whether in a Divine Right country, in 4000 B.C., or in a Vested Right country, in 1913 A.D. And, as for the Remedy, we had to reject Mr. Rockefeller's calm recommendation of simply "throwing out as the balance of things" all the unemployed, as well as the drastic measures of Napoleon and the northern barbarians of putting to the sword the "miserables" of the world. What is the remedy, then?

Obviously, the Remedy must remove the cause,—the abnormal concentration and monopolization of the national wealth. **The Law of Limited Ownership** is designed to do this, and therefore it is the only effective remedy for the mortal disease of unemployment.

CHAPTER VI

Nature's Universal Law of Limitation

Looking around us, we can easily discern the manifestations of an important law of nature which may be called the Law of Limitation. The Maker of this planet decreed, with inscrutable wisdom and foresight, that there should be a limit to all things, material and spiritual. The earth, though abounding in an infinite variety of objects, contains nothing that is unlimited. Everything has its limit, either in extent or capacity. There are high, snow-capped mountains and deep, precipice-like canyons; mighty rivers and little brooks; majestic cedars and modest violets; ferocious lions and meek lambs. But we would search in vain for anything that is unlimited: Ogres, Cyclops and other monsters exist in fairy tales only. Light has its limit in darkness, and day in night; life in death and death in resurrection, which is new life. Limitations are everywhere, on every side. Among men some are seven feet in height, others barely five; no one is known to reach the height of a mile. Some weigh three hundred pounds; others one hundred; no one weighs a ton. Some have large heads, others small; no one has a head as large as a mountain or as small as a pin head. In the same way our capacities and defects, virtues and vices, talents and shortcomings are strictly limited by the same universal law. In short, everything invariably submits to the

mandates of this immutable law of nature, and is governed correspondingly through its whole period of existence.

HARMONY OF THE WHOLE IS ULTIMATE AIM OF EVERYTHING

As regards the reason why there should be a limit to everything, and as to the means for determining the desirable extent of such a limit,—these questions can be answered best by a deduction from the facts under observation. First, in extent and capacity, everything is limited to its highest state of efficiency and usefulness, and second,—the parts are subservient to the whole, with the ultimate aim in view, the harmony of the whole.

Taking, for instance, the seasons of the year, we observe that in the morning of life the buds begin to develop, the balmy air and sunshine of spring are doing their utmost to aid the budding life in its struggle for existence. The sun rays are not then so strong as to endanger the best possible development of the new life. In summer, however, when adolescent youth merges into maturity, the sun sends his rays with the greatest vigor. Then, life having matured, mild and mellow autumn appears on the scene. It renders, in its turn, valuable help to the utmost efficiency and usefulness of all things. With its oblique and soft sunshine it assists nature in garnering its harvest, in making provision for the future and

in laying the foundation for the regeneration of life. Finally the labors of nature terminate, for the time being, and it stands in need of complete rest. Then the night of life, winter, puts an efficient stop to the sources of life: activities of various faculties cease and are enveloped in restful slumber. The next spring awakens them to new life.

The **harmony** of the whole is always the aim of the activities of all parts. There can never be any permanent **discord** in nature. Earthquakes, tornadoes, etc., may temporarily disarrange harmony, but it is speedily restored by the recuperative powers of nature, and life goes on smoothly, all things doing their best, and not transgressing beyond the limits of their greatest usefulness. A unit is always conforming itself to the needs of the total; the parts to the whole; and the limitations imposed upon them are such as to produce that exquisite harmony of the whole which is observed everywhere in nature to the everlasting glory of the Creator.

LAW OF LIMITATION EXEMPLIFIED IN HUMAN BODY

The human body presents an excellent example illustrating the wonderful workings of the law of limitation. Every part of the human body, no matter how small and apparently unimportant, receives from the common fund an amount of nourishment exactly sufficient for the proper performance of its duties, for

its perfect well-being; neither more nor less. In this manner the humblest organ of the body receives comfortable living wages,—so to speak,—on which it is enabled to do its very best and thrive. Such wages, in life blood, are ceaselessly produced by those indefatigable workers, the organs of digestion, and continually distributed by the no less faithful workers, the heart and the lungs, with the assistance of innumerable arteries and veins. The latter, by means of a marvelous network of capillaries, are incessantly sending the precious life-giving fluid to the remotest parts of the body, in response to the demand for the same created by the work of said parts.

The activities of various organs of the body are regulated, partly consciously, partly automatically, by the lofty intellect, emanating from the brain. Thus the whole remarkable system receives its commands from and is under the supreme guidance of the human brain, which, ably assisted by local nerve centers and the whole nervous system, is truly the Chief Executive of the Law of Limitation in this instance.

By the direction of the brain the precepts of that law are minutely carried out. Nothing oversteps the prescribed limits necessary for the attainment of the highest efficiency and usefulness; the life blood is **equitably** distributed to all parts; and the welfare of the whole,—of the parts as well as of the body,—is always maintained. As a result, the wealth of the body, consisting mainly of its blood, is mutually owned, so to speak, on a limited shareholding plan,

and distributed so equitably that no one part receives "too much," no one "too little," and all have "enough."

Such is the condition of the human body, while in perfect health. The precepts of the Law of Limitation are strictly obeyed: harmony is the aim and discord is the penalty for infraction of this law.

Man can do no better than bow with humility, and be edified by the perfect workings of this supreme law of nature. By carefully noting its ways he should endeavor to intelligently apply them to his own imperfect creation,—the artificial body of men called "society."

LIMITED OWNERSHIP PRESERVED IN A FAMILY

Turning our attention to the construction and operations of society, we find that in any well-balanced family nature's law of limitation is instinctively enforced, and therefore perfect harmony is in evidence. The worldly possessions belong mutually to all, as well as to individuals, and are used, first, for the benefit of all, and then for the benefit of each and every member in proportion to his needs. No member, however clever, is allowed to appropriate an unlimited share of the common wealth; for it is clearly realized that such an appropriation would militate against the welfare of all. The selfish greed of individuals is not only frowned upon, but effectually curbed, as it should be. Consequently the equitable distribution of wealth,

that will o' the wisp of mankind, is in operation in the domain of a family: no one having too much, all having enough.

It should also be noted that all members of a family are enjoying equal opportunities,—another seemingly unattainable desideratum of mankind. The forcible encroachments of the stronger upon the rights of the weaker are guarded against; the material well-being of all is looked after; and the intellectual and moral development of each member is taken care of. All are given an equal opportunity requisite for their enlightenment and refinement; they can blame no one but themselves should they fail to profit by the opportunities offered them.

Thus the average American family presents all the elements which make life worth living. An equitable distribution of wealth; equal rights to all, special privileges to none; and equality of opportunity are all no mere catch words, but real and substantial facts. **A family is the embryo of a true democratic republic.** It certainly contains all the requisites for the perfect welfare of its members. In good times every member shares in the mutual prosperity; in adversity, all feel the strain. Owing to a full application of the principle of limited ownership, it is impossible for a family to present the dismal picture of two or three of its members rolling in wealth, while the rest are everlastingly struggling with poverty.

Oh, what a pity that, as soon as an individual leaves the environment of his family and launches on the

troubled sea of society, he finds himself surrounded by inimical and treacherous forces, which he must combat, lest he be overwhelmed and sink to the bottom a mangled wreck!

BENEFICIAL HOMESTEAD ACT

At one stage of their history the American people appeared as though they were one large family. It was at the time when they were confronted with the grave land-ownership problem. They solved it to the satisfaction of all.

Having come into the possession of this broad land, they adopted a wise and just policy, expressed in the Homestead Act, by which they made evident their preference for the advisability and justice of parceling their common property in land in accordance with the only true ideal of a democratic republic,—the principle of **limited individual ownership**.

They did not allow the fleetest and the strongest to rush and take forcible possession of all the available land. They strictly forbade that kind of licentious proceeding. Instead, they permitted the bonafide settler to become the actual tiller of the soil and to select, cultivate, and eventually own a homestead built upon a small but sufficient number of acres of public land.

Beneficial results of this broad-minded and judicious legislation are manifest to this day. The country presents a robust republic honeycombed with millions of homesteads of small farm owners, who are,

in fact, limited shareholders of the national landed wealth. The prosperity and thrift based upon so solid a foundation are such that even at the present time, notwithstanding the vigorous efforts of powerful monopolists to deprive them of their legitimate profits, American farmers are, as yet, the backbone of the nation, its firmest stronghold!

INDUSTRIAL POLICY OF GO-AS-YOU-PLEASE

It is unfortunate that when our industries began to grow apace with the prosperity of the people, and then far ahead of it; when coal, oil, copper, steel, and other valuable products of our soil were discovered; when the land began to be covered with a network of those social arteries, railways; and when numerous factories opened their activities—our statesmen and legislators did not rise to the occasion, but remained merely passive onlookers. **An industrial policy of go-as-you-please was silently promulgated.** They allowed the industrial wealth of the country,—unlike its landed wealth,—to flow and settle into any private channels it might chance to encounter.

Owing to this short-sighted and injudicious policy of “non-interference,” the strongest and the quickest, and the least scrupulous, rushed to the front,—this time unimpeded,—and took firm possession of all the industries in sight. Meanwhile a multitude of would-be industrial homesteaders was left behind unprovided and forsaken. Thus all the oil of this nation speedily became **the private property** of one puissant family; all

the beef of another; all the sugar of a third; and so on to the end of the industrial line.

It was quite natural for the industrial squatters to avail themselves of the special privilege granted to them, and appropriate, for their own exclusive benefit and profit, everything worth appropriation.

It is almost inconceivable how the American people and their statesmen and legislators could display such simplicity of mind as not to understand that there is no substantial difference between the landed possessions of a people and their industrial wealth. True, the first consists of an immovable and easily measurable land itself. But the second is nothing else but the produce of that land. And certainly both are the indisputable property of the people, and should be used in strict conformity with the mandate of the principle, "The greatest good for the greatest number."

As the American people did not choose to give away to a few persons their whole landed property, then the question arises—was there any sound reason why they should have tendered to a few monopolists, as a free gift, their entire industrial wealth?

As it was deemed just and advisable to let every citizen have a chance in sharing the national landed wealth, why is such a sharing in the nation's industrial wealth denied to the majority of the American people?

Surely such a policy is unjust and harmful in the extreme!

LIMITED BUSINESS OWNERSHIP—INDUSTRIAL HOMESTEAD ACT

Let us imagine that we were not enveloped in economic slumber at the time when the development of our great industries began taking place, and when the promoters of various large corporations and undertakings had applied to us for permission to organize for business and to issue their stocks, bonds, etc. Let us suppose that, instead of having passively allowed them the privilege to do and take anything they pleased, we had given them only a qualified permit, as follows: "The American people grant you the privilege to organize, appropriate, develop and profit by your particular industry, upon condition that **no one is allowed to hold shares in excess of \$250,000.**"

Had a law to this effect been at that time placed on our statute books, the **Homestead Act of Industries** would have been enacted.

The strongest and the greediest would not have free play; the weaker and less talented would have been protected and given an opportunity; the number of small shareholders would have by this time reached into hundreds of thousands, or even millions; a millionaire shareholder,—the soul of private monopoly,—would have become extinct; consequently, our great national industries would not have been (as they unfortunately are) the **personal property** of a few industrial magnates; but would have become the property

and pride of millions of small shareholders, of the people, just as our land is the property and pride of millions of small homesteaders.

These conclusions are arrived at by tracing the effect to its cause. As certainly as unlimited private ownership does to-day, and ever will, degenerate into private monopoly,—limited shareholding does to-day (as we shall show later) and always will bring forth the mutual ownership of large industrial undertakings and **genuine profit-sharing for millions of people.**

Unfortunately, the American people, having permitted the entire supply of their country's oil, beef, sugar, coffee, etc., to become the private property of a few individuals, did not cover themselves with glory. **They have given away their birthright for a pitiful "mess of pottage."**

As the result of such a give-away policy, the state of affairs in the industrial world of the present day is unnatural: a few have too much, while the majority have not enough. The precepts of nature's law of limitation have been disregarded, and even reversed: **UNITS HAVE BECOME MORE IMPORTANT THAN THE WHOLE.** Consequently the harmony of the whole has been turned into a **huge discord**, which it is our misfortune to witness to-day.

Equitable distribution of wealth has become a dead letter; equal rights to all, special privileges to none,—a mockery; and equality of opportunity,—an insult to the intelligence of the American people!

CHAPTER VII

Limited Private Ownership—the Remedy

“The supreme object to be attained is that the people of the country be brought back into the ownership of the corporate property of the country. . . . An ownership **so individualized** that it can be said at last **that all the property of the country belongs to the people.**”—Judge P. S. Grosscup, in “Who Shall Own America.”

While we all agree upon the desirability of the equitable distribution of wealth, most of us are only wistfully longing for it, doing nothing toward its achievement; others believe the equitable distribution to be an unattainable myth, and still others,—tariff reformers, single-taxers, socialists, coöperationists, and those who believe in profit-sharing,—are striving for its attainment by means which appeal to them as most applicable. The ranks of the latter have been augmented of late by those who believe, with the author, that the widespread adoption of the principle of limited ownership of private property will make profit-sharing and equitable distribution a fact and will force poverty—that dread offspring of the inequitable distribution of wealth,—to disappear from the face of the earth.

LIMITED OWNERSHIP IN SAVINGS BANKS

Limited private ownership of business enterprises, with limited shareholding as its expression, is not a fancy; it is a reality which is met every day.

Furthermore, it is not in its experimental stage, either. It has been found in every respect satisfactory after a thorough trial of many years.

The American savings banks are fair exponents of the benefits of the principle of limited ownership applied to business. No one depositor may deposit more than the maximum of \$3,000. The profits of these banks belong to all depositors and are distributed among them in proportion to their deposits at stated periods.

Being mutual and not private institutions, these banks are under very strict supervision. While private banks may be drawn into wild-cat schemes and financial jugglery, savings banks stand aloof, dignified and above suspicion. Their owners, the people, have enjoined the apostles of high finance to keep their hands off the savings of the people. This explains the fact of their healthy growth and unquestionable popularity.

There are seventeen hundred savings banks in this country, with the combined assets reaching the vast figure of four billion dollars. Almost ten million deposits are made yearly, and the profits, amounting to a hundred and fifty millions a year, are distributed among millions of depositors.

It is a genuine equitable distribution of profits!

LIMITED OWNERSHIP IN BUILDING AND LOAN ASSOCIATIONS

Another example of the business enterprises of the people, conducted by the people and for the people, and **on a limited ownership plan**, is presented by the thoroughly American building and loan associations.

This branch of the industrial activities of the people has also completely escaped being subjugated by industrial giants. Many attempts have been made by some clever financiers to assume the guise of these **mutual** associations, to carry off their patronage and pocket the profits. But the people would not be deceived. They have faithfully stood by their own well-tried institutions, flatly refused to give the designing financiers the coveted patronage, and by so doing they have driven the suave impostors out of business.

The organization and business transactions of these associations are well known. A group of persons jointly own in them a small capital which is either lent or borrowed, as occasion may arise, but always between members only, "mutually," and chiefly for the purpose of home-building. Every member derives equal benefits and draws, in proportion to his or her shareholding, the entire profits from each and every transaction of the association.

Limited ownership is embodied in their invariable rule forbidding anyone to hold more than twenty-five shares valued at \$5,000. This limit is occasionally raised to \$10,000.

The independence and success of the building and loan associations is largely attributable to their adherence to the principles of mutuality and limited ownership. There is no room for doubt that, were their shareholding unlimited, they would have long ago become a huge monopoly, absorbed by some clever captain of industry, for his own "personal" benefit and profit. But, ensconced behind the sound principle of mutuality, these associations remain independent **public** property.

In every town and village, in fact all over the land, thousands upon thousands of homes of persons in moderate circumstances are mutely yet eloquently testifying to the benefits accrued to the people through the ministry of these associations. It is safe to assume that the majority of these homes would have never been built but for the valuable help rendered by these fair exponents of the principle of limited ownership.

There are in the United States, at the present time, over 6,000 purely mutual building and loan associations, whose membership has reached 2,300,000. During the past year the members have borrowed on mortgages upward of \$283,000,000, and on their passbooks, as temporary loans, \$20,000,000. The weekly dues and deposits of members amount to over \$280,000,000, and the total assets of all associations combined to \$1,000,000,000.

These data are taken from the latest available report of the United States League of the Local Build-

ing and Loan Associations. The league has been formed for the purpose of caring for interests common to all local associations, and proved particularly useful in warding off the attempts of financial captains of industries to monopolize the business of these associations.

Perhaps the day is not far distant when the American people will own and manage all their industries in the same way as they do in these associations, and will have central leagues to look after the common interests of local groups!

MUTUAL BENEFIT ORGANIZATIONS

American fraternal organizations, though not in a class of profit-bringing enterprises, are admirable illustrations of the popularity among Americans of the principle of independent mutuality and limited shareholding. They demonstrate the fact that the American people are alive to the possibilities of conducting business themselves, without necessarily being bossed by some financial genius, or by a paternal socialistic government, for that matter.

The business part of the activities of these associations is not inconsiderable. During the past year their active membership has reached, in America, 11,720,215. Their foremost representative, the Royal Arcanum, has met the contingencies of many deaths and paid over \$127,500,000 to the beneficiaries of deceased members. Various other orders and societies have done

splendid work as regards mutual relief in time of need, and all of them may be considered as efficient training schools for the principle of mutuality, with the people as scholars, well-nigh graduated after many years of practical work.

GIANT COMPANIES ON BASIS OF LIMITED SHAREHOLDING

It may be said that the examples quoted refer only to business enterprises conducted on a small scale, and that the basis of limited shareholding cannot be applied with success to enterprises on a large scale. We shall presently see that several gigantic enterprises, handling billions of the people's money, are conducted on the same principle and with great success. The enterprises in question are the giant mutual insurance companies. For the purposes of illustrating them we shall take a look at the status and workings of the foremost among them.

As far back as in 1841 an American mutual insurance company was organized, and assumed the name of Nylic. The present name of the company, for obvious reasons, need not be disclosed; suffice it to say that the company does business under the charter granted to it by the State of New York, and all the figures quoted herein are taken from the latest report of the Superintendent of Insurance of that State.

The Nylic has adopted, as its principle, the mutual-

ity of a family, as its emblem the picture of an eagle feeding its young, and as its business creed the motto, "mutual benefits to all, partiality to none," the motto of all **really mutual** organizations. The Nylic has steadfastly adhered to these honorable principles for over 70 years, and is faithful to them to this day.

The founders of the Nylic wisely decided to establish a limit to the shareholding of the company to \$100,000. That is, no one person may become a member holding a policy on his life for an amount larger than \$100,000. A \$300,000 policy may be issued in exceptional cases, and, if a larger amount of insurance is granted to an individual, the risk must be re-insured in other companies for the excess of the company's maximum limit. Thus the company's liability does not exceed the prescribed limit in any individual case. To this principle of **limitation** the company undoubtedly owes its complete independence, popularity and great success.

As a result of the limitation of shareholding, the Nylic is the absolute property of over **one million** small depositors, who are, in proportion to the amount of their deposits, its owners, rulers and chief beneficiaries. In that capacity they receive **all the benefits and all the profits** which are derived from the company's "mutual" business.

Is it not an ideal method of ownership for our business enterprises conducted on a large scale?

LARGE ENTERPRISES WITHOUT AID OF MILLIONAIRE SHAREHOLDERS

Without the aid of any millionaire shareholder the Nylic has become one of the greatest fiduciary institutions of the world. Its example has conclusively refuted the contention that we stand in urgent need of millionaires and their "private" fortunes for the successful conduct of our large enterprises.

In its assets the Nylic has immense wealth, consisting mostly of real estate, government and railroad bonds, and other safe securities, to the total amount of \$705,000,000! This enormous wealth is restrained from outside interference by rigid regulations, and in consequence of such prudent policy is securely reposing in the company's safety vaults, while the custodians may be interpreted as saying to the anxious devotees of high finance: "Hands off, please. This is the property of the American people."

The Nylic has all over the world numerous branches and offices. Its magnificent twelve stories' high home office, in the city of New York, is built throughout of white marble, mahogany and oak, and is valued at five millions of dollars. As many as ten thousand persons are daily visiting this office of the Nylic on business. For their accommodation, and for the benefit of over one thousand employees, the building contains 19 elevators, 470 telephones, 2,900 feet of pneumatic tubing, an electric plant, a large printing office

(occupying four floors), and its own post-office, which handles daily over nine thousand parcels of mail. This beehive of industry is a substantial monument to the popularity of the Nylic and to the absolute soundness and practicability of the principles of mutuality and limited shareholding, upon which it has been reared.

The actual rulers of the company are the twenty-four elective trustees,—men of the highest standing in the community, who are managing the affairs of the company through their committees and sub-committees, which hold, on the average, eight hundred meetings a year. The trustees draw no salaries, receiving only a nominal compensation for actual attendance at the meetings.

The president of the company is elected by the trustees to serve **one year only**, at a salary of \$50,000. Other executive officers, elected also for one year only, are receiving for their services ample but not too-excessive remunerations of from ten to thirty-five thousand dollars per annum.

It is noteworthy that, although the officers have no other inducements aside from their salaries, the Nylic has grown great exclusively owing to their untiring efforts in its behalf. It has had a succession of eminently capable, upright and efficient presidents and their associates who have rendered highly creditable services.

This fact of having in our midst thoroughly efficient captains of industry, whose ambition is sufficiently spurred and energy amply remunerated by a

comparatively small compensation,—demonstrates beyond doubt the advisability of dispensing with the services of the extra-expensive captains of other American industries. The Nylic has conclusively proved that we can easily secure the services of men as capable as Carnegies and Rockefellers, at \$25,000 or \$50,000, instead of \$25,000,000 or \$50,000,000 per annum. A comparison in favor of the Nylic's method, proving that its capable managers are ONE THOUSAND TIMES less expensive than the aforesaid gentlemen, who imagine themselves, very likely sincerely, as indispensable captains of American industries. **Generals and admirals we need and will always have; kings and barons we do not need, and shall soon dispense with their services.** True to its traditions, the American nation, having rejected a political kingdom, will not tolerate much longer an industrial kingdom.

Until the Nylic opened our eyes we had no clear understanding of the case, and, consequently, bowed to the apparent necessity of calling upon the services of the unreasonably expensive Fricks, Schwabs, and others; now, however, since all mutual and limited-ownership corporations, similar to the Nylic, have proved the practicability and great economy in engaging more reasonable managers for our industries, it would have been indeed **unwise** not to profit by their experience.

NYLIC VERSUS STANDARD OIL

It is interesting to match the champion of limited mutual ownership against the champion of monopolies and trusts.

The Nylic is equaled by the Standard Oil in the magnitude of its transactions. But there is an immense difference between them as regards the benefits derived from them by the American people. One is the mutual property of a million persons; the other the private property of an insignificant cluster of immensely rich individuals.

A million owners of the Nylic are receiving yearly upward of fifty millions of dollars in benefits and profits; the millionaire owners of the Standard Oil, scarcely a thousand in number, are distributing "between themselves" an equally large amount of profits derived from this nation's oil industry.

On one side a million families are benefited by sharing the profits of **part** of an insurance industry of the nation; on the other, an infinitesimal portion of the population, possessing already fabulous fortunes, are drawing for their own exclusive benefit the total profits from the **entire** oil industry of the country.

At least five million persons are benefited by the Nylic; five thousand only,—if that many,—are the direct profit-gatherers of the Standard Oil. Here we meet again with a ratio of **ONE THOUSAND TO ONE** in favor of the Nylic. In other words, **the Nylic**

is one thousand times more beneficial for the American people than the Standard Oil.

In this comparison the most prominent feature only was taken into consideration,—the pecuniary profits. Had we compared in detail the clean business methods of the Nylic with the unsavory tactics of the Standard Oil,—its clandestine meetings, railroad rebating, corruption of officials, spying upon and mercilessly crushing competitors, arbitrary “fixing” of the prices, etc.,—we should then have been compelled to admit that the Nylic is MANY THOUSAND TIMES more acceptable than the Standard Oil.

More than a score of corporations engaged in the same line of business as the Nylic, and managing their affairs upon the same principles of mutuality and limited shareholders, are highly beneficial for more than twenty-five millions of people all over the world. The combined assets of these twenty-seven American mutual insurance companies have passed the enormous sum of three billions of dollars!

Limited individual shareholding always results in widespread public profit-sharing; while **unlimited** individual shareholding is bound to result in the establishment of a private monopoly and in the exclusion of the public from the profit-sharing.

Thus enterprises on a large scale may be,—as some of them **are** at the present time,—successfully conducted on a mutual and limited shareholding basis. Consequently there is no business, however large and important, which the American people could not man-

age themselves, for their own benefit and profit. There is no sound reason why they should not adhere to these wholesome principles, and thereby put a stop to the utterly objectionable unlimited shareholding and its baneful offspring,—private monopoly and trusts.

LIMITED OWNERSHIP VS. PRIVATE MONOPOLY

The following facts observed in the sphere of limited shareholding in the corporations quoted above illustrate a few of the chief advantages to be derived by the people at large from this form of ownership as compared with the corresponding disadvantages from the form of unlimited shareholding and resulting private monopoly prevalent at the present time.

Limited Ownership

All industries are the **mutual** property of millions of people.

All profits belong to **millions** of families.

Millionaires in business are unknown.

Captains of industry can be obtained for \$50,000 per annum.

Private Monopoly

All industries are the **private** property of a few families.

All profits belong to a **few** millionaire families.

Millionaires in business own all the important industries of the nation.

Captains of industry are drawing up to \$50,000,000 per annum.

Limited Ownership

The prices of goods are the lowest for the consumer, consistent with a **reasonable** profit for the owners.

Expensive labor-saving machines and their products belong to millions.

Many thousands are employed at comfortable wages, working **seven hours a day**, on the average.

Stock-watering is unknown.

Equal rights to all, special privileges to none.

Equitable distribution of wealth; all have "enough."

Equality of opportunity; anyone may rise to the highest position.

Industries of the people, by the people, and for the people.

Private Monopoly

The prices of goods are "fixed" for both the farmer-producer and the public-consumer, yielding an "unreasonable" profit for the millionaire owners.

Expensive labor-saving machines are faithfully working for the exclusive benefit of their owners, the millionaires in business.

Many thousands, preferably illiterate foreigners, are employed at existence wages of \$9 a week, working **ten hours a day**, on the average.

Stock-watering is a common occurrence, the people being defrauded of billions of dollars.

Delusive rights to all, special privileges to the Kings of Wealth.

Inequitable distribution of wealth: a few have "too much," many have "too little."

Inequality of opportunity; no one may hope to ever equal the **hereditary millionaire monopolist**.

Industries of the people, by the people and for the **Kings of Wealth**.

LIMITED OWNERSHIP THE REMEDY

The principle of Limited Ownership antagonizes no accepted conception of private property, no more than did the Homestead Act. It merely proposes that the people own and manage all their industries in the same way as they own and manage their savings banks, building and loan associations, and mutual insurance companies. It recommends shareholding limited to a certain reasonable figure, and is opposed solely to unlimited shareholding, the forerunner of private monopoly. It defends and upholds private property, moderated and limited; it attacks and will eventually abolish the anomalous unlimited property and its offspring, private monopoly.

The history of every nation on earth unmistakably corroborates the truthfulness of the fact that, as soon as the wealth of a nation becomes concentrated into the possession of a few, the impoverishment of the people and the ruin of that nation follow. Such was the destiny of ancient Egypt, Rome, China, India, Poland, Russia, Turkey, and all of them, in fact. Some of the nations had their revolutionary upheavals, which acted as a stay to decay, but not one nation is to-day in a thoroughly healthy condition. Our own country is no exception to the rule.

The economic disease, to which all nations commonly succumb, is congestion of wealth. Like congestion of blood in a human body, this disease is oc-

casioned by an unnatural accumulation of the life-giving fluid in one part of the social body, at the expense and exclusion of all other parts. All parts of the social body, except the one which is congested, are suffering from a lack of proper nourishment, are gradually being reduced in vitality and will degenerate and die.

If the diagnosis of this social disease is correct, then what is the task of the physician? Should not his very first effort be to devise and apply the proper means for sending that precious life blood from the congested part toward the parts which suffer from the lack of it? The proposed Law of Limited Ownership will fulfil this mission. It is devised to act directly upon the root of the disease. It is not a half-hearted subterfuge like the income tax, inheritance tax, etc. It is, in its nature, a direct and prohibitory law. It will effectually cure the congestion by a direct prohibition of further "private" accumulations of wealth and by establishing a reasonable limit to such accumulations, so as to give the life-blood of the nation a chance to reach all parts of the social body, and not limit it to only the few, specially privileged persons and families.

As was shown in the preceding chapter, the proper time for the enactment of the Industrial Homestead Act embraced the period when the industries began their development. Our statesmen have missed their opportunity, and allowed unlimited ownership and private monopoly to congest the life-blood of the

nation, its wealth, to an alarming degree. From such lack of foresight the wealth of the American Nation is now congested to such an extent that only a radical measure can restore its circulation to a natural condition. Limited Ownership is the measure.

The proposed law of Limited Ownership prohibits an unreasonable unlimited accumulation of private wealth, but it does not recommend any confiscation. **Let those who own now any amount of wealth continue in the enjoyment of it during their natural life, but not after their death.** This republic cannot afford to foster an hereditary plutocracy. The law of Limited Ownership will take care that none inherit more than the prescribed limit. It will **discontinue forever the unjust, unnatural, and extremely harmful hereditary millionairism.** Thus, in the course of a single generation, the obnoxious phenomenon, the millionaire in business, will become a thing of the past; and he will take with him into oblivion his pet creations, Private Monopoly and Private Trusts.

BALLOT IS THE ONLY WEAPON WE NEED

We, the people of this free and independent republic, may well be ashamed for allowing things to exist which we know are wrong, and may be remedied.

Oh, why and for what are we waiting,
While our brothers droop and die,
And on every breeze of the heavens
A wasted life goes by?

—William Morris.

The trouble is we are exercising our sovereignty by solemnly casting our votes for Smith or Brown, both equally crooked and scheming politicians, looking hungrily for a "job," and fully prepared to make hay while the sun shines (for them).

In this unworthy manner we are using our right to govern ourselves and are electing, year after year, a swarm of grafters, bribe-takers, and so-much-per head officials and statesmen who are ready and anxious to do service for the highest bidder.

The ballot is a mighty weapon. To turn it to such an ignominious use is worse than throwing it away. It means sullyng it and bringing into disrepute. It also means displaying a woeful ignorance as to the obvious causes of the ills that are besetting our social life; for on all sides monopolists of every description are looting the people at will, sapping their very life-blood, while the general economic condition of the country grows more appalling every day.

Yet, if used intelligently, **the ballot is the only weapon we need.** With its help we can easily and speedily establish a limited individual ownership of private property, which would render us free once more; free industrially as well as politically; free from life-long dependence upon the mercies of our present industrial masters; free from the compulsion of paying them a tribute in arbitrarily "fixed" high prices, to pay which is far more humiliating than would have been the direct payment of a tribute to any foreign potentate.

When we go again to the polling places shall it be the same old story of voting for Smith or Brown, or shall we cast our votes for one who will pledge himself to work for a measure that will bring us Limited Ownership, which, as Dr. John Clark Ridpath said, "will rob private property of its power to curse and promote its power to bless"?

Shall we continue the game of "blind man's buff" against "bad" trusts, and strive to "control" what cannot be controlled? Or shall we penetrate to the root of the evil,—unlimited ownership fraught with infinite evil,—and substitute for it just and equitable limited ownership? Shall we continue to allow ourselves to be fleeced by the all-grasping monopolists, or shall we brush them aside from the path of progress and civilization which they obstruct? Which shall it be?

Let us vote for no CANDIDATE FOR CONGRESS unless he pledges himself to the enactment of the LAW OF LIMITED PRIVATE OWNERSHIP!

We certainly can never expect to emerge from industrial thralldom unless we adopt the only effective political-economic measure, Limited Ownership, which is bound to lead us to an equitable distribution of wealth and free us forever from the iniquitous Private Monopolists.

CHAPTER VIII

**Arguments Against and for Limited Private
Ownership**

While lecturing and debating upon the subject the writer met with objections and arguments which deserve attention, and may as well be answered here.

**"HOW WOULD LAW OF LIMITED OWNER-
SHIP BENEFIT ME?"**

This was the foremost objection, and "ME" was invariably spelled with capital letters. The objector manifestly could not rise above the common failing of many mortals, who place themselves in the very center of all creation. An abnormal sense of self-importance has obscured for him the otherwise self-evident truth that whatever benefits his community must eventually benefit him, as a unit of that community.

The proposed law is certainly not expected to endow any one with a ready-made fortune of \$250,000, whether he earned it or not. It will merely **limit** the shareholding of any individual in any industry to that amount, giving thereby an equal opportunity to millions of small investors to participate in the profits derived from the nation's industries. The objector, presumably not a millionaire, would obviously be benefited by such a limitation of individual sharehold-

ing, unless he is neither industrious nor enterprising. In the latter case the proposed law will not help him, for it is not designed to bestow fortunes on idlers; quite the reverse. It will create more equitable opportunities for all, and discontinue the special privileges of the few.

"A QUARTER-MILLION DOLLARS NOT ENOUGH"

Perhaps it is not "enough," according to present standards. Yet would it not be enough for you, my reader, to draw about \$15,000 a year as long as you live for no harder work than to thoroughly enjoy yourself? On the other hand, it would surely be quite "enough" for any community to have a number of its able workingmen labor exclusively for your benefit (as was shown in Chapter III), supporting you in exactly the same way as an idle pauper is supported in a poorhouse.

Unless our understanding of the nature of "profits" is at fault, a profit-bringing property of \$250,000 ought to be morally "enough," and more than enough, for any citizen worthy of the name, although it may not be "enough" for an Indian Rajah or a Chinese Mandarin.

It should also be remembered that the law in question would limit only the private possessions of an individual, leaving untouched his privilege to draw any reasonable amount of remuneration for the actual

services which he may be able to render to the community. Thus, anyone who is not an idler would have an absolutely equal opportunity with anyone else to earn, in addition to his unearned profits, a salary as high as that of the President of the United States, or even higher, should his services be of greater value to the community. Would it still be not "enough"?

"PRINCIPLE OF LIMITATION IS UN-AMERICAN"

Were the principle of limitation un-American, this free and independent republic would never have come into being by the application of that very principle to the curtailment of the unlimited power of George III and his Parliament over the "Colonies." Our political freedom was won and is maintained by the application of the same principle of a well-defined limitation to the will of an individual, imposed upon him out of regard for the welfare of the majority of the people. Our industrial freedom can be won in no other way.

The American Homestead Act is, in the industrial sphere, the most important law of limitation ever enacted in this world. It is thoroughly American. By this act a strict limitation was decreed as to the amount of land which might be preëmpted by any one citizen. It is a pity indeed that this wholesome American principle was abandoned in a later industrial life, and was substituted by that time-worn mon-

strosity, savoring of barbarism,—the principle of “grab-as-you-please.” As soon as the democratic principle of limitation was lost sight of, the obnoxious flower of Private Monopoly blossomed forth; it grew rapidly to gigantic proportions, and is to-day blasting the life of this nation.

As the main object of the principle of limited ownership is to **discontinue hereditary millionairism**, it is in strict keeping with the former American policy of our forefathers, who rejected entailment of estates,—a British principle of **hereditary lordism**.

The principle of Limitation is a principle of fair play, of a square deal; both of which are undoubtedly American.

“LIMITED OWNERSHIP WOULD STIFLE AMBITION AND CURB ENERGY”

It certainly would, in a measure. But is a democratic republic a proper place for fostering the ambition of an individual to become a grab-it-all monster? Or for encouraging his “energy” to build a despotically powerful monopoly, to crush all small dealers, “fix” the prices, and to arbitrarily tax the people? Let such ambition and such energy emigrate to some other clime, to some autocratic empire. Here they should be both “stifled and curbed” by all the means within our power.

On the other hand, a salary equal to that of the Chief Executive of the Nation, and the permission

to own a comfortable fortune which would yield a reasonable amount of absolutely **unearned** income, ought to be a sufficient incentive for the ability, ambition and energy of anyone.

A reward for enterprise and industry should not be perverted into a license to appropriate everything worth the taking. The cardinal principle of a democratic republic,—“**The greatest good for the greatest number,**”—is poorly served by such license.

“MILLIONAIRES AND CAPITAL WOULD LEAVE THE COUNTRY”

Millionaires personally, as mere money bags,—such as W. W. A., the expatriated one,—are equally useless, whether present or absent. But as regards their “capital,” let us not forget that they cannot possibly take with them their business possessions, such as oil wells, coal mines, sugar refineries, railroads, etc. All these will remain where they are at present. But, in order to comply with the new law prescribing a limit of \$250,000 for individual private property, they will have to, in course of time, acquire different owners. And, in such a case, each of these possessions would be owned by many thousands of small shareholders, instead of by a solitary millionaire, whether present or an absentee.

The business property,—capital,—would simply change hands, to the evident advantage of the people, and that is all the “calamity” that would befall us

should our millionaires and billionaires choose to emigrate to foreign lands.

**“THE PEOPLE ARE NOT RICH ENOUGH TO
PURCHASE PROPERTY OF
MILLIONAIRES”**

If that be true, then may the Lord have mercy on us as a nation. Fortunately, the statement is not correct. The American people are not rich individually, but, in the aggregate, they are rich enough to own enormous deposits in the savings banks, building and loan associations and insurance companies. In fact, had the original capital for national industrial enterprises been raised by popular subscription,—as it should have been,—and not by a small clique of Wall Street financiers, the American people, and not a few millionaires, would have been the **actual owners and beneficiaries of American industries.**

The people are rich enough to be defrauded of many millions of dollars through impudent stock-watering by unscrupulous financiers, by the “get-rich-quick” swindlers, and by numberless political grafters all over this land.

They are rich enough to be taxed unmercifully by arbitrary prices on the necessities of life, “fixed” by the monopolists “to suit themselves,” and by those brazen conspirators who would rather **burn coffee** than bring comfort to millions of homes by selling it at a reasonable price.

They are rich enough, AS YET, to acquire and reclaim their industrial wealth, BEFORE IT IS TOO LATE!

"ENTERPRISES OF MILLIONAIRES BENEFITED THE PEOPLE"

True, the American people owe a debt of gratitude to Commodore Vanderbilt, Rockefeller, Carnegie, and other industrial pioneers and up-builders. The country should be proud of them. Unfortunately, all these gentlemen labored at the time when that iniquity, unlimited ownership, held its full sway. Consequently, instead of remaining revered leaders in their respective industries, they have become hated monopolists.

Let us imagine that the Limited Ownership Law had been already on our statute books at the time when all these industrial giants commenced their careers. They would have achieved the same success, would have built the same great industries; but they would have done so for the benefit of millions of small shareholders; and, withal, they would have been perfectly satisfied with their large salaries of, say, \$100,000 or more per annum. Then only would they have been considered as foremost citizens, esteemed and beloved by all, and not prosecuted, abhorred and looked upon as arch enemies of the people.

Is it not plain that that absurdity,—unlimited private ownership,—DOES GOOD TO NO ONE? Is

it not a pity that an injustice is being done to the men mentioned, everyone of them a genius in his line? Their millions have outweighed their sterling qualities and great services. Their limitless accumulations have brought on them the hate of the people, and turned those who might have been beloved leaders into contemptible price-fixers, selfish monopolists and enemies of the community.

There is not a shadow of a doubt that LIMITED OWNERSHIP WILL BENEFIT EVERYONE AND HURT NO ONE.

“MILLIONAIRES ARE EMPLOYING THOUSANDS OF PEOPLE”

And so did the Egyptian Pharaohs, who gave employment to many thousands of wretches by forcing them to rear up the stupendous pyramids; and so did the Feudal Barons in the Dark Ages; and so did the “masters” ever employ the “servants”; Robinson Crusoes,—Men Fridays; for many thousands of years. It does not follow, however, that the free citizens of the American Republic should rest contented to remain forever in the class of “servants”; that they should relish the prospect of eternal servitude for the benefit of one or the other of the Industrial Kings. Let them, instead, make the wonderful labor-saving machines their faithful servants. And so it certainly shall be some day, after the American people have succeeded in reclaiming,—with the help of the Law

of Limited Ownership,—the proprietorship of those innumerable labor-savers which are to-day completely monopolized by a few.

As regards the employment to be had, and the wages to be paid for it,—when the American people own and manage their industries on a limited shareholding plan they will require the assistance and coöperation of as many thousands as are now employed, and of many more; and it is safe to predict that the wages will be much higher than they are at present, while the hours of labor will be reduced to four, or perhaps three a day, because the labor-saving machines will become the property of the people and will be operated **FOR THE PEOPLE**.

There is nothing Utopian in this: **WHEN PRIVATE MONOPOLY DEPARTS THE PEOPLE WILL COME INTO THEIR OWN.**

“LIMITED OWNERSHIP LAW WILL BE EVADED”

It will be evaded for some time, but not for all time. When the evaders have realized that the people are in earnest they will speedily discontinue unprofitable evasions. But, even should they go on with evasions, is it not better to have the evaders understand that they are “law-breakers” than to honor them and consider them benefactors, as is our custom to-day?

Evasions are possible only as long as public officers are corrupt. With prosperity, corruption will cease.

Because it is poverty that makes men corrupt. It is very shortsighted to assert that men are corrupt for wickedness' sake. The Great Founder of the Christian religion said: "Let him that is without sin cast the first stone."

When the conditions in our social life shall have become gradually better, and poverty is on the decrease, then a limited ownership law will be enforced by **incorruptible** officials. Meanwhile, we have no choice, but to try to achieve the desired results with such imperfect material as is in our possession.

**"THE LAW IS IMPRACTICABLE AND WILL
BE INEFFECTIVE"**

There is no reason why it should be considered either impracticable or ineffective. Let us imagine that it has been passed and is recorded on our statute books. All those who own private property in excess of the prescribed limit of \$250,000 have registered their possessions, and are aware that, should they subsequently increase them, in defiance of the law, they would be punished. On the other hand if they remain satisfied with their possessions as registered, they will have the privilege of enjoying their wealth, no matter how large it may be (there appears no remedy for this) during their natural life, **BUT NOT BEYOND IT.**

The Limited Ownership law will take care of the fabulous fortunes of present millionaires in such a way that they will be speedily disintegrated. They

will be divided into as many parts, as many times \$100,000 is contained in them: because no one will be permitted to bequeath or give away more than \$100,000 to any one individual. For instance, a billionaire's heir will have the right to inherit just \$100,000 of his father's property, and no more. The rest of the billionaire's immense possessions will have to go to other relations and friends, whom he may have chosen as his beneficiaries and legatees; in default of such a provision, the entire billion dollar property, minus the shares of his legal heirs, each not to exceed \$100,000, would revert to the people at large, that is, to the State.

Thus, with the help of the proposed law of Limited Ownership our social and industrial life will present, in the course of a single generation, the following aspect. No one will start in life with a larger fortune than \$100,000 (this amount appears to be a reasonable expedient). Should he be ambitious and industrious, nothing will hinder him from taking an active part in the management of his business and draw as large a salary, for the actual services rendered, as his services may be worth. Suppose he proves to be another Edison or Rockefeller—surely no one would deny or grudge him a very large remuneration for his valuable services. He has actually earned it and is fully entitled to the fruits of his toil, ingenuity and industry. Meanwhile, such anomalies as the modern IDLE MILLIONAIRES BY INHERITANCE will be made absolutely IMPOSSIBLE.

Therefore, the law of Limited Ownership is not only eminently just, but both practicable and effective.

LIMITED OWNERSHIP ENDORSED BY PROMINENT MEN

Dr. John Clark Ridpath says, in "Limitation as a Remedy": "It is not property, moderated and limited, but only the lawless excess of it, and the want of it, that curses the world. It is the 'too much' and the 'too little' that blasts the hopes of men. Is it not possible that the doctrine of limitation applied to property might rob it of its power to curse, and promote its power to bless? A large part of the distress of the modern world is attributable to the fact that there are established in the sphere of property rights no salutary and accepted principles of limitation. As the case now stands, a man may buy and hold in fee simple, under the law and constitution, . . . the whole Mississippi Valley. . . . It is manifest that no man has a moral right to do this, or ever can have it: such a supposititious right is an absurdity *per se*. . . . A restriction on land ownership is a necessity; the how much is another question. . . . The principle of unlimited ownership cannot be longer admitted, as a part of the rights of man, if civil and industrial liberty is to be maintained."

The great philosopher, Aristotle, says: "In human society extremes of wealth and poverty are the main

sources of evil. The first brings arrogance; the second, slavishness. Where a population is divided into two classes of very rich and very poor there can be no real state; for there can be no real friendship between the classes, and friendship is the essential principle of all association."

The great economist, John Stuart Mill, says: "The form of the association which, if mankind continue to improve, must be expected in the end to predominate is the association of the laborers themselves on terms of equality, **collectively owning the capital** with which they carry on their operations, and working under managers elected and removable by themselves." (Does not this definition describe perfectly the "mutual" associations, such as the building and loan associations, etc., which are based on the principle of limited shareholding?)

A prominent financier, George W. Perkins, unconsciously endorses the Limited Ownership idea by saying: "The corporations of the future will serve the public as semi-public servants, **with ownership widespread among the public**. In broadly distributed ownership among the public the profits are distributed among the people, while for the benefit of the business is retained that necessary factor which has done so much for American industry,—individual initiative."

A millionaire manufacturer, Andrew Carnegie, also unconsciously endorses the same idea: "We may look forward with hope to the day when it shall be the rule for the workman to be partner with capital, **both**

owners of the shares and equally interested in the success of their joint efforts; when a feeling of mutuality is created, which now is generally lacking."

UNLIMITED WEALTH VS. UNLIMITED POVERTY

It has been already pointed out above that American millionaires' possessions equal the total combined wealth of twenty-five States of the Union. Government Statistician George K. Holmes states in the "Political Science Quarterly" that our millionaires "own seventy-three per cent. of the total wealth of the country."

Our country is blessed with a great many kings and barons: a cattle king, an oil king, coal barons, coffee barons, and many others. When a certain railroad king died he left to his heir, a hopeful youth, the snug fortune of \$100,000,000. A similar fortune is the rightful property of a McLean heir, age three years, who recently left Newport "in a special car, under guard of special detectives, and with a retinue of a small army of nurses." Young Vincent Astor is also the rightful owner of another \$100,000,000 of wealth. When the oil king leaves this world his heir will inherit somewhere between \$500,000,000 and a billion. These are a few of the prominent representatives of unlimited millionairism-by-inheritance.

The following poetical description caught the writer's fancy: "For many miles in every direction,

as far as the eye could see, lay hundreds of thousands of acres of the Cattle King. In front of him, behind him, on either side, everywhere, every inch of soil, every bush and tree, belong to the Cattle King. The very air appeared to belong to him, the wind seemed to whisper his name to the trees, while the little brooks, as they babbled over the stones, murmured sweetly, 'Cattle King, Cattle King'; and the birds flying over his fields sang the same song of glorification to the Cattle King."

"Here, where dogs refuse to sleep," says Charles Dickens in "American Notes," "men, women and children come to seek refuge. Nowhere on the terrestrial globe are human beings placed in such miserable condition, as regards ventilation, light and odors arising from rear courts, as are those unfortunate beings who pass their wretched lives downtown in the city of New York."

"Remember," says Cleveland Moffett, in "Shameful Misuse of Wealth," "the vast army of toilers enslaved in our factories and mines; men, women and children, —millions of them,—giving the strength of their bodies and the hope of their souls, that a few thousand rich men may draw handsome dividends on investments, dividends, which they have done nothing to earn, and which it bores them to spend."

Says Walter Scott, in the person of Gurth ("Ivanhoe"): "Little is left to us but the air we breathe, and that appears to have been reserved with much hesitation, solely for the purpose of enabling us to endure

the tasks they lay upon our shoulders. The finest and the fattest is for their board; the loveliest is for their couch; the best and bravest supply them with soldiers and whiten distant lands with their bones."

The following appeal from the pen of Charles Dickens is pathetic: "Give us, in mercy, better homes, when we are a-lying in our cradles; give us better food when we are a-working for our lives; give us kinder laws to bring us back when we are a-going wrong."

Such is the pitiful cry of millions of the "Miserables" of the twentieth century.

MILLIONAIRES WIELD UNLIMITED POWER OF REAL SOVEREIGNS

"The welfare of the people depends upon the whims or personal interests of a few men," said Senator Carter of Montana in one of his eloquent speeches. "We are told that six or seven men, by reason of their control of the railroads, have in their power to make or unmake a community, to make or unmake a nation. The life or death of this country is in their hands." It is an awful power for a free people to delegate to individuals!

Says Senator Chauncey M. Depew: "There are fifty men in the city of New York who can in twenty-four hours stop every wheel on all railroads, close every door of all our factories, lock every switch on every telegraph line, and shut down every coal mine in the United States. They can do so because they control

the money, industries and commerce of the United States." This is one of the most powerful arguments in favor of the speedy enactment of the Law of Limited Ownership.

A certain American millionaire is said to have once exclaimed: "I can buy the whole d——d outfit," meaning the Legislature, Executive and the Courts of Justice. It was only a paraphrase of a well-known outburst of Commodore Vanderbilt: "The public be damned!"

Jay Gould, the author of Black Friday, on which day many began business in the morning as rich men and went home in the afternoon, ruined beggars, is said to have remarked more than once: "I am rich enough to hire one-half of the people to shoot the other half."

Yet, many years ago, Jean Jacques Rousseau pointed out that "Real prosperity can exist only where no citizen is so rich as to be able to buy others, and no one so poor that he is compelled to sell himself." And, according to Daniel Webster: "Liberty cannot long endure in a country where the tendency is to concentrate wealth in the hands of a few."

THE FINAL APPEAL

Now that my work is finished, I take this opportunity of appealing to my countrymen to give the subject of this treatise their earnest and unbiased consideration, and, should they find my reasoning correct,

let them not hesitate to adopt the proposed measure, however radical it may appear. Grave diseases require powerful remedies.

After many years of study of the great social problem the writer is convinced that a direct and prohibitory law, limiting private ownership to any reasonable amount, is **THE ONLY REMEDY** for the cure of the dangerous, if not mortal, diseases of **Congestion of Wealth and Unemployment.**

Oh, that these lines, written with no malice toward rich or poor, but with all sincerity and good-will to mankind, may perform the mission of another Paul Revere, dashing from village to village and awakening the people with the call to arms: "Arouse, ye American freemen! Plutocratic monopoly is upon us, despoiling us of our very lives!"

Let us vote for no CANDIDATE FOR CONGRESS unless he pledges himself to the enactment of the LAW OF LIMITED PRIVATE OWNERSHIP.

EDWARD N. OLLY.

Hasbrouck Heights, N. J., Dec. 1, 1913.

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